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Russia Raises Tensions **And Confusion in West**

'Don't Push Us' on Balkans, Yeltsin Warns

By Celestine Bohlen
New York Times Service

MOSCOW - No. President Boris Yeltsin did not order Russian nuclear missiles to be retargeted at NATO states participating in the bombing of Yugoslavia. Nor did he formally endorse the joining together of Russia, Belarus and Yugoslavia in a geographically awkward Slavic union.

But at a meeting Friday with Gennadi Seleznyov, the Communist speaker of the Russian Parliament's lower house, he clearly and unmistakably warned the West not to push Russia into another war in the Bal-

"I told NATO, the Americans, the Germans, don't push us toward military action," Mr. Yeltsin said, speaking before television cameras. "Otherwise there will be a European war for sure, and possibly a world war. We are against this.'

It took the Kremlin the better part of Friday to clarify just exactly what Mr. Yeltsin had said and had not said in his meeting with Mr. Seleznyov. It was Mr. Seleznyov who, emerging from the meeting with Mr. Yeltsin on Friday morning, first sent out the alarming reports that Russia would be targeting NATO states with nuclear warheads, a statement that sent off an ntense flurry of diplomatic activity in

By midafternoon, top Russian officials were issuing denials. "As far as we know in the Foreign Ministry, no orders concerning missiles have been issued," Foreign Minister Igor

Mr. Seleznyov also overstated the president's support for a union among Russia, Belarus and Yngoslayia, an idea pushed by President Slobodan Milosevic of Yugoslavia as a way of

shoring up Moscow's support for Belgrade. According to remarks tele-vised Friday night, Mr. Yeltsin had told Mr. Seleznyov that the proposal should be studied.

A union between Russia and Belarus is under negotiation, but as the proposal now stands, its main purpose is to standardize economic relations between the two neighboring countries, without any references to military or security agreements. As Dmitri Yakushkin, a Kremlin spokesman, noted late Priday, including Yugoslavia in such a union would involve several "extremely complicated and delicate" questions that would take months to resolve.

Mr. Yeltsin has repeatedly and publicly pledged to keep Russia out of any military involvement in Yugoslavia, a promise that the United States and its NATO allies said Friday was reaffirmed through diplomatic

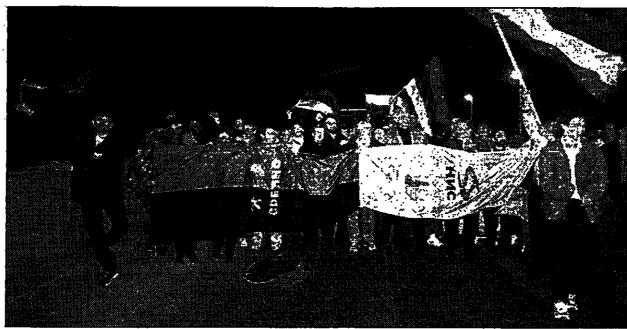
But Russia's angry and harsh de-nunciations of the NATO campaign against Yngoslavia, and vague threats to adjust its military doctrine, have raised enough concern to prompt a meeting next week in Oslo between Mr. Ivanov and Secretary of State Madeleine Albright

In other remarks Friday, Mr. Yeltsin set down further markers on future NATO policy in the Balkans. "They want to use ground troops, take over Yugoslavia, make it their protectorate," he said. "We cannot allow this. Russia and the access to the Mediterranean Sea are nearby, so we can by no means give Yugoslavia

Russia dispatched a reconnaissance ship last week from its Black Sea fleet toward the Adriatic Sea

See YELTSIN, Page 7

Clinton Denounces Belgrade's Tactics



Novi Sad residents protesting the NATO air strikes Friday from the one bridge left standing in the Serbian city.

Defiant Serbs Turn Target Into Weapon

A Popular Symbol of Anger Spreads as Yugoslavia Arms Itself With Irony

By Michael Dobbs

BELGRADE — The predominant popular reaction in Yugoslavia to the NATO bombing campaign, a mixture of fatalism, defiance, gallows humor and paranoia, is best summed up by a symbol that has taken the country by storm over the past two weeks.

You see the target sign everywhere, adorning billboards, the clothes of young children, newspaper front pages, Web sites, bridges and lapels of government ministers. It is designed to mock Western claims that NATO has no quarrel

with the Serbian people, only with their leaders.
"We are trying to relieve our anger through humor," said
Miroslav Radic, the director of a small public relations company in Belgrade that is responsible for popularizing the

target sign.
"We are trying to send a message that not just Serbs, but

anybody in the world can be targeted by aggression or by an anonymous bureaucracy," Mr. Radic added.

The sign, supposedly borrowed from the advertising symbol for the American department store chain Target, has

multiplied like a virus in the 16 days since NATO planes and cruise missiles began hitting sites that Western officials say are parts of President Slobodan Milosevic's war machine. Something of a Serbian equivalent of the peace sign worn by American peace demonstrators in the 1960s, it reflects widespread anger and bewilderment over the bombing. While

the anger has been harnessed by the authorities and fanned by government propaganda, it has deep roots in the popular

The grass-roots reaction to the bombing is best conveyed by the Serbian word inat, which has no direct English equivalent but implies a combination of extreme stubborn-

See TARGET, Page 7

President Calls Milosevic Plan An 'Illusion' Of Compliance

By Paul Horvitz

PARIS - President Bill Clinton accused the Yugoslav leadership on Friday of offering only an "illusion" of compliance with NATO demands that Belgrade cease hostilities in Kosovo, pull its forces out of the province and permit the safe return of the ethnic Albanians who have been forced to flee.

"NATO is determined to persist and

prevail," the president declared. "The fundamental reality is unchanged."

His statement in Washington was clearly designed to blunt assertions by the Belgrade government the previous day that Yugoslavia had ended its military offensive in Kosovo because "peace has been restored" there and that the refugees were welcome to return home.

It also signaled that any partial peace offer by President Slobodan Milosevic of Yugoslavia - which some European officials said they expected during a weekend that includes the Orthodox Easter — would not halt the alliance's air campaign against targets in Serbia and Kosovo.

"Milosevic still thinks he can manipulate the situation by cynically using innocent people," Mr. Clinton said. "He

More news of the Balkan crisis on Pages 2, 4 and 7.

hopes we will accept as permanent the result of his ethnic cleansing. We will

"If we settle for half-measures from Mr. Milosevic, we will get nothing more," Mr. Clinton continued. "And what we have from Mr. Milosevic today

illusion of partial compliance. Similarly, North Atlantic Treaty Organization officials said Friday in Brussels that they had no evidence that Yugoslav forces were withdrawing from Kosovo. Rather, they said, Belgrade's troops were "digging in" and continuing to lay mines along the country's borders.

In Bonn, the German military chief of staff said there were "indications" that the Yugoslav Army had stopped its offensive in Kosovo and redeployed to defensive positions, perhaps because its capacity to fight had been damaged.

In Washington, the Pentagon spokesman, Ken Bacon, said Friday that the United States had reports of the systematic rape of Kosovar women at a Yugoslav Army training camp and added that about 20 of the women had been

It was the first time the Pentagon had issued a specific charge of such an at-rocity by Serbian forces in their drive against Kosovo Albanians, although U.S. officials have been reporting wide-

Separately, the alliance's chief military spokesman, Air Commodore David Wilby, conceded that a bomb missed its mark Wednesday and caused unintended damage to civilian structures near a postal and telephone building in central Pristina, the provincial capital of Kosovo. Reports from the scene indicated that at least 10 people had died in the bombing, and Commodore Wilby said that the al-

liance regretted the loss of life. He reaffirmed, however, that the postal and telephone building was a

'critical' military target.
Similarly, he said that an auto plant inside Serbia that produces the Yugo model had been bombed because it also produces "military machinery." Serbian reports said that more than 100 workers had been wounded in the overnight raid. Commodore Wilby said in Brussels

See NATO, Page 7

U.S. and China Tackle **Common Foe: Pollution**

Human Rights Issue Dogs Zhu in Washington

Beijing's human-rights record again dogged a visit by the Chinese prime minister, Zhu Rongji.

opened a joint forum on the environnent and development while Foreign finister Tang Jiaxuan and Secretary of State Madeleine Albright signed an agreement doubling flights between the

Mr. Zhu and Mr. Gore, whose countries are the biggest producers of green-house gases, agreed on the need to rec-oncile economic development and environmental protection and promised to encourage cooperation between U.S.

and Chinese experts.

Mr. Zhu also suggested that the key to erasing the large U.S. trade deficit with China could be exports of American technology to help China overcome its environmental problems. According to U.S. estimates the trade deficit was \$57 billion last year, although Chinese cal-culations suggest the figure is much

Either way, Mr. Zhu said he would be willing to trade the surplus for a cleaner

"If that happens I will be very happy," Mr. Zhu told a U.S.-Chinese conference on development and the en-

Mr. Zhu was scheduled to make a major foreign policy speech at a Washington hotel later Friday, an event expected to attract protests on human rights and Tibet.

Reaction to Mr. Zhu's visit among U.S. politicians has so far been muted, with many members of Congress out of the capital for the Easter break. But at a breakfast meeting Friday with more than a dozen members of Congress, Mr. Zhu ran into criticism of China's crackdown on pro-democracy activists.

The legislators said Mr. Zhu had not

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Jruwan			

WASHINGTON — China and the United States found common ground Friday on protecting the environment and on aviation, but U.S. criticism of Beijing's human-rights record again

get China's accession in 1999," Representative Alcee Hastings, Democrat Mr. Zhu and Vice President Al Gore of Florida, said after the meeting at Blair

See ZHU, Page 2

AGENDA

Niger Leader Killed; Coup Attempt Seen

ABIDJAN, Ivory Coast (Reuters)

— President Ibrahim Bare Mainassara of Niger was assassinated Friday, apparently in a coup attempt. A correspondent in the capital, Niamey, said the president had been

shot by soldiers at the airport. Prime Minister Ibrahim Assane Mayaki announced the death on state radio but said the president had been killed in an "unfortunate accident." The police and witnesses at the airport said he had been ambushed, with police sources saying the killing occurred as the president

was to leave on a domestic trip.

	The Dollar	
· Naw York	Friday @ 4 P.M.	previous clo
Елго	1.0795	1.07
Pound	1.6083	1,60
Yen .	120.87	121.
DM	1.8113	1.82
FF	6.0748	6.10
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+4.37	1,348,35	+ 0.33
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Books.

A German soldier helping break up a fight between refugees Friday at a NATO camp in Stankovic, Macedonia.

At the Border, a Worrisome Mystery

By Craig R. Whitney International Herald Tribune

BRUSSELS - Three days after Serbian border police closed crossing points from Kosovo into Macedonia and Albania, NATO said Friday that its sophisticated military surveillance had not yet been able to solve the mystery of what happened to tens of thousands of ethnic Albanian civilians

who had been stuck there. "A key question is what is happening to the people who were trying to leave," an alliance spokesman, Jamie Shea, said, referring in particular to what he called the "car people" whose automobiles had been lined up 20 kilometers inside Kosovo near the Albanian border before vanishing overnight

A senior diplomat from an allied European country said

that NATO civilian authorities had asked the military com-mand Thursday to intensify reconnaissance over Kosovo to try to locate the missing civilians.

Unmanned U.S. reconnaissance drones have been flying over the province for the past several days. But a NATO military spokesman, Air Commodore David Wilby, said Friday that allied intelligence had been con-

centrating mostly on finding tanks and other armored vehicles for allied bombers to strike. Serbian paramilitary police and army units have been using the tanks in attacks that have driven hundreds of thousands of civilians out of Kosovo.

General Klaus Naumann, chairman of the Military Committee at the alliance's headquarters here, has also requested surveillance reports from individual allies' reconnaissance

See REFUGEES, Page 7

${\it Rate Cut Alone Probably No Cure-All for Europe}$

By John Schmid

FRANKFURT — European politicians, who incessantly pressured the newborn European Central Bank for lower interest rates, have been looking for an economic panacea for the Continent's high unemployment and linger-

ing economic malaise. But what they got with the deep and dramatic cut in lending rates this week is just a placebo, private economists and business leaders said Friday.

"There will be only a marginal stimulus, and it will mainly be psychological," said Eckhard Schulte, economist in Frankfurt at the Industrial Bank of

The central bank, rather than handing the politicians a victory, has in effect put economic growth and putting Europeans to work.

While European economies staged a modest rally last year, growth has begun to stumble again. Indeed, on Friday the depth of economic pes-

simism in the 11-nation ANALYSIS euro bloc was evident in new figures showing that economic confidence fell in March. Economic confidence fell to 104.0 points in March from 104.2 in February, according to the Brussels-based Eurostat statistical agency.

At first glance the drop might seem incremental, but it included an ominous erosion of consumer confidence, which until now has defied the rapid cooling of the global economy. Consumer con- credit does little to remedy Europe's

them on notice that they themselves bear real responsibility for stimulating 1 in March from zero in the previous two main economic ailments, most 1 in March from zero in the previous economists said Friday.

tinually deteriorated for the past 12 months, continued its slump to minus 12 still not buying the European exports from minus 11 in February, according to they once did. An interest rate cut in the agency, which is the statistical arm of the European Commission.

The European Central Bank, acknowledging that the euro bloc is struggling with high unemployment and sluggish growth, voted Thursday to ease credit for the first time since the Jan. 1 inauguration of the common currency, the euro.

Although the rate cuts announced Thursday were deep by any measure, reducing the main money market rate to

The second problem, according to the ECB, is the unwillingness or inability of 2.5 percent from 3 percent, the looser

The first flows from Asia, where the Industrial confidence, which has con- once-booming tiger economies are just beginning to emerge from recession and Europe, economists were quick to note, does nothing to stimulate demand on the other side of the globe.

Yet, Elga Bartsch, London-based economist for Morgan Stanley Dean Witter & Co., expects that Asia's stricken economies will revive next year, promising renewed strength in Europe. "That will be a turnaround factor," she said.

See RATES, Page 12

In Shadow of Hanoi's Downed B-52, Serbian News Is Familiar

By Seth Mydans New York Times Service

the Vietnam War: a ragged chunk of a a retired worker. "Vietnam is very poor, u.S. B-52 bomber, with landing gear but we beat the Americans. Kosovo can "The NATO air strikes have again still attached, poking up from the surface do the same. of a small pond in the center of Hanoi.

It has lain where it fell for more than 26 years, since the two-week-long "Christmas bombing" of Hanoi in 1972. The flower farms that surrounded it have given way to urban sprawl, and a out, generation of Vietnamese who do not remember the war has been born.

This week it was a conversation piece, the occasion for a touch of smugness, even triumphalism, as people talked about the NATO bombing in Yugoslavia and let slide their usual studied politeness about their defeat of U.S. military might.

"The Vietnamese are heroes!" cried Pham Minh Suu, 77, a frail man with a

"In the end the Americans were defeated by the steadfastness of Vietnamese policy," he said, a dutiful Comnewspaper commentaries that play up the described him and follows the steadfastness of Vietnamese policy, "he said, a dutiful Comnewspaper commentaries that play up the described him and follows the stead of the said, a dutiful Comnewspaper commentaries that play up the stead of the stead HANOI - It is now an official relic of munist who described himself simply as the surface parallels with the Viet-

> Chu Huy Tuan, who was 2 years old when the B-52 was shot down, said that he had been watching television reports of the bombing of Yugoslavia and that Doi Nhan Dan. the Serbs could prevail if they just hold

"The Vietnamese people want the Kosovo people to beat back the American bombing just as we did," he said, balancing his baby daughter on the handlebars of his bicycle.

"Vietnam has been free for 4,000 years," he said. "Whoever has come to fight us — China, France, America they're all gone."

News in Vietnam is carefully conwisp of white beard, a fedora and a blue trolled and the opinions of people like the agenda for the world. Mr. Tuan are shaped by television news programs that emphasize bombing might means that no one can be sure ment," said Bu Thanh Son, 37. blazer worn over striped pajamas. "The Mr. Tuan are shaped by television news

divided the United States, which now faces the possibility of repeating the mistakes it made in its war against Viemam." said the army newspaper, Quan

It described the fighting as "a U.S.-led military adventure that can go

Another newspaper, Nhan Dan, said, 'President Bill Clinton, who protested against the Vietnam War, should be aware of how tragic that war was for the United States and avoid repeating such a terrible tragedy.

States that wants to use its power to set government and its people.

"war against the Americans" still defines national identity for many Vietnamese, allowing them to view themselves as heroes even as they struggle with continuing poverty and isolation.

The United States is generally admired - more warmly in the south than in the north - and Americans are wel-

The hundreds of thousands of Vietnamese who managed to flee to America are envied in the south and viewed in nearby schoolyard. People with small the north with a mixture of envy and resentment.

America, with its wealth and freedoms, represents a modern world that Vietnam fears --- and aspires to.

Sounding a common theme, news-apers warn of an aggressive United make a distinction between the U.S.

'It's not the American people who

"The same in Vietnam," he added. "Vietnam and America are brothers." Mr. Son was a boy of 11 during the Christmas bombing, too young to be frightened, he said. "I liked to go out and

look at the shooting in the sky," he said. "It was on the last night that they shot down the B-52. I went and cut off pieces of it and sold them for scrap."

In the years since, the shores of the

pond have been reinforced and a small laque has been dedicated. In the afternocais, people sip tea at a white plastic table by its banks. Children shout in a nets fish for bait.

One of them, Nguyen Van Nam, 74, said the pond used to be full of fish. "When the B-52 fell there was a huge splash and there were fish lying all over the ground," he said.
Mr. Nam waved his hand wearily

when asked what he thought of the Christmas bombing of his country.
"What do I think?" he said. "What should I think? People died here."

ZHU: Meets With Gore

Continued from Page 1

House, the government guest house where Mr. Zhu is staying. "It was a very, very good exchange,"

he added. Senator Max Baucus, Democrat of Montana, said a good WTO agreement would probably get congressional approval, despite the concerns about human rights, Beijing's policy on Taiwan and Tibet, and allegations of Chinese

nuclear espionage.
"It's going to be very hard to turn down a good agreement despite our feelings on other issues," he said.

The meeting with Mr. Gore echoed the good humor of Mr. Zhu's talks with President Bill Clinton on Thursday.

Mr. Zhu and Mr. Clinton announced substantial progress on a market-opening trade pact to bring China into the WTO, but they said more time was

needed to complete a deal.

At a news conference after their White House meeting, Mr. Clinton and Mr. Zhu said they were committed to completing

a deal before the end of the year. 'Although the deal wasn't closed, this was a very positive process with respect to getting a WTO agreement on commercially acceptable terms," Treasury Secretary Robert Rubin said Friday.

think we made enormous progress. Trade officials said agreement had been reached on a broad range of market

Both business executives and China experts expressed surprise at the scope of some of Beijing's concessions — some of which may have as much polit-

ical resonance as economic impact.
For the first time, for example, China agreed to permit American telecommuthe BBC overseas radio service Wed-, nications companies to control Chinese nesday that it would be "problematic" cellular telephone firms and Internet Mr. Sasono specifically criticized the for Jakarta to allow a United Nations companies and to operate throughout the armed forces chief and defense minister, peacekeeping force to enter East Timor vast country of 1.2 billion people.

How China would square that with its efforts to quash political opposition and

Among the issues left outstanding communal and separatist violence in portive of this measure that the gov-Indonesia this year and the security ernment has taken in East Timor," she Clinton's most high-profile constituen-

cies: Wall Street and Hollywood. China has refused to let American put the Indonesian government in a brokerages into its free-for-all stock markets, and, complaining of "cultural pollution," it wants to restrict the num-ber of American movies that can be released in its theaters.

■ Lincoln Example Irks Taiwan

Taiwan responded with bewilderment and anger Friday after Prime Minister Zhu invoked Abraham Lincoln to justify China's policy of refusing to rule out military force to reunite with the island,

The Associated Press reported
At a news conference, Mr. Zhu said Thursday that China should take Lincoln as a "model" because the president who won the American Civil War "resorted of the United States.

Shen Ke-sheng, vice chairman of the government's Mainland Affairs Council, said he hoped that Mr. Zhu did not imply that China would seek military force to resolve its sovereignty disputes with Taiwan.

Foreign Minister Jason Hu said Mr. Zhu should be embarrassed to use such illogical reasoning. (Reuters, AFP, AP)

WEATHER

"Berezovsky will arrive in Russia, present his explanations and this, I hope, this will be the end of the incident," Mr. Stepashin said.

would not arrest him.

BRIEFLY

Russian Billionaire

MOSCOW — Interior Minister Sergei Stepashin said Friday that he would not arrest Boris Berezovsky

even though there is a warrant out for the billionaire businessman.

the Prosecutor General's Office of

setting up a Swiss company to laun-

der hard currency earnings from the

Mr. Berezovsky, who was abroad

Thursday, said he did not fear arrest

and planned to return to Russia next

week to face his accusers. Mr.

Stepashin said he would let Mr.

Berezovsky return unhindered and

Russian airline Aeroflot.

Mr. Berezovsky is suspected by

Will Not Be Held

BELFAST - The Irish Republican Army's political wing is threatening to detail a last-ditch plan backed by the British and Irish governments to salvage the peace process when Northern Ireland leaders meet next Tuesday.

Sinn Fein to Fight

Ulster Peace Plan

Sinn Fein flatly rejected the peace plan, issued a week ago after intensive negotiations failed to pro-

duce a breakthrough.

The Hillsborough Declaration would require the IRA to hand over weapons to secure Sinn Fein's participation in the new power-sharing government in the British-ruled province.

"This is an unacceptable departure from the commitments given on Good Friday 1998," said Mitchel McLaughlin, chairman of Sinn Fein.

Christians' Cars Stoned in Nazareth

NAZARETH, Israel — Cars driven by Christians were stoned along the main road in Nazareth as sectarian tensions in Jesus's boyhood town continued to swell.

Two cars were damaged in the attack Thursday, but the drivers escaped unharmed, Moshe Berkowitz, a police spokesman, said Friday. No arrests were made.

Muslim-Christian violence erupted Sunday over a downtown plot of land near the Church of the Annunciation, where tradition says the Angel Gabriel told Jesus's mother,

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Mary, that she was pregnant.

The Christian mayor, backed by the Israeli government, wants to build a Venetian-style plaza next to the church in time for millennium celebrations. Muslim activists say the land belongs to the Islamic Trust and want to build a large mosque at the site.

For the Kecord

About 150 Israelis protested Friday against Jewish settlements in the West Bank city of Hebron. It was the first time in 16 years that the Israeli Army had allowed an antisettler demonstration.

An Australian historian who is the director of the Adelaide Institute in Australia was arrested in Mannheim, Germany, and charged with incitement for expressing doubts about the Holocaust. His statements appeared on the institute's Web site and in its newsletters. Fredrick Toben would face up to five years in prison if he is convicted.

The suicide bomber who attacked a Turkish governor was an Iranian, the Turkish Army said Friday. Governor Nihat Canbolat of Hakkari Province escaped the Wednesday attempt on his life near the Iranian border with minor injuries, but his driver was killed and nine other people were wounded. (AFP)

Military Role **Raises Fears Amid Unrest** In Indonesia

By Michael Richardson

JAKARTA — Persistent reports of abuses by the military in handling Indonesia's separatist and sectarian conflicts are raising concern among some senior officials, as well as analysts and foreign diplomats, that the armed forces are contributing to a dangerous cycle of national violence.

Although the charge is denied by commanders, some critics say that in-fluential conservative factions in the discredited military are trying to create chaotic conditions that would justify a crackdown and the return of the authoritarian rule that brought them power and privilege during the 32 years that former President Suharto was in office.

Other analysts say that the military leadership is committed to improving the performance of the armed forces, but that the lack of financial resources, weaknesses in the chain of command and poor training and discipline among troops are undermining progress. Either way, there is concern that even

pledge to be politically neutral, they are country but also for the region." unlikely to be able to maintain the peace in the campaign that formally starts next month for parliamentary elections on June 7. The outcome of the voting will largely determine who will be chosen as the country's next president for a fiveyear term in November. The current president, B.J. Habibie, replaced Mr. Suharto last year and pledged to push through wide-ranging democratic re-

In an unusually blunt address to a door meeting of Indonesian and prospect of "devastating social unrest" and a breakdown of government con-

JAKARTA -- The Indonesian gov-

ernment said Friday that the East Timor

rebel leader Xanana Gusmao must re-

tract a call to arms to his followers or go

made public lists of names of people

missing and believed killed in what they

charge was a massacre of East Timorese

refugees by pro-Indonesian militiamen

Justice Minister Muladi said he was

checking whether Mr. Gusmao had made

WASHINGTON (AFP) --

United States and China on Friday

weekly flights between the two coun-

flights for each country increases from

27 to 35 a week immediately, with the

In addition, a fourth company from

each country will be allowed to join the

ranks of those already operating flights.

SINGAPORE (AFP) - Major Asian

hotel markets, with the exception of resorts in Phuket, Thailand, posted double-digit declines in 1998, and over-

supply will continue in 1999, consultants at Jones Lang LaSalle Hotels said

According to the company's Asia

Hotel Property Digest, Jakarta was the most badly affected market with room

yields falling 62 percent.
It was followed by Knala Lumpur and
Bali, down 39 percent, and Shanghai, off

36 percent. Room yields in Manila

dropped 32 percent, and in Singapore they declined 24 percent.

Asian Hotels Suffer

frequency rising to 44 by April 2000 and

then to 54 a year later.

in the territory on Tuesday.

The ultimatum came as rights groups

back to prison.

Timor's Rebel Leader Is Ordered

a call to arms on Monday as a series of island, according to local police and the

violent incidents continued between pro- official Antara news agency. (AFPAP)

signed a new aviation accord, doubling year, an increase of 2.9 percent.

The number of passenger and cargo ger traffic in the region down by 5.6

To Take Back His Call to Arms



Youths with homemade weapons boarding a truck in Borneo, where interracial violence has killed more than 170. 'If the armed forces and Indonesia's

people as a whole fail to check these

interreligious and interracial conflicts,

they may trigger more devastating social

long before Miss Anwar spoke, the

cooperatives minister, Adi Sasono, said

that the violence in different parts of the

country appeared to have been delib-

eratively provoked and that if the military "does its job well, Indonesia will

General Wiranto, saying that he hoped that the general "can do his job better in

unrest in Indonesia.'

be doing much better."

said that there was "an urgent need for the armed forces to put the situation under control effectively, for failing to do so would drive Indonesia to enter a stage of state failure, the cost of which if the army and police stick by their would be unbearable not only for the

Miss Anwar warned that increasing chaos could prompt huge numbers of Indonesians to seek refuge in neighboring countries, a development that would "seriously threaten the stability of Asia and the Pacific region as a

She also said that recent sectarian violence had occurred in different parts of the vast Indonesian archipelago, making it difficult for the military and police, who number only about 500,000 in a population of more than 200 mil-

Mr. Habibie, said that Indonesia had a still undergoing fundamental reforms preventing them from properly main-taining and enforcing law and order,"

Australian military commanders in lion, to respond effectively.

Jakarta last month, Dewi Fortuna Anwar, a senior foreign policy adviser to forces are now at their weakest point and

ol. she said, according to a transcript of the In a clear rebuke to the military, she address issued by her office.

and anti-independence forces, and the

day before a reported massacre in Li-

quisa. If Mr. Gusmao had indeed "de-

clared war," Mr. Muladi said, it would

the terms of his release and "we will

Separately, new fighting between Christians and Muslims killed at least

two people Friday in the Moluccas, an

east Indonesian province where hun-dreds of people have died this year. One person was killed in Amahai on Seram island and the other in Tual on Kai Kecil

more than 2.8 billion passengers last

percent, to 426.7 million people, the Airports Council International said.

PARIS (AP) - More than 200 objects

from Egypt's golden age went on display Friday at the Grand Palais in what art

experts call the world's first major show of Old Kingdom masterpieces.

"Egyptian Art at the Time of the Pyr-

amids' features statues, bas-reliefs, and jewelry dating from 2700 B.C. to 2200

Concorde Anniversary

LONDON (AP) — The Concorde marked the 30th anniversary of its Brit-

About 100 enthusiasts packed the one-

hour supersonic return trip from London's Heathrow Airport to Filton, a blink-

of-an-eye 100 miles (160 kilometers)

west - via Scotland, 400 miles north.

inal airport west of London.

Egypt Exhibit Opens

The rise occurred despite the Asian economic crisis, which pushed passen-

indicate that he had "clearly violated"

return him to Cipinang."

forces have been widely criticized for failing to halt the bloodshed and for often inflaming unrest by shooting ci-

the future

In the latest of such incidents, East Timor's Roman Catholic bishop, Carlos Belo, a 1996 Nobel peace laureate, said this week that East Timorese militia members, who want the disputed territory to remain part of Indonesia, had shot or hacked to death at least 25 people. They were among 2,000 terrified villagers who were sheltering in a priest's house and a church in Liquica,

not far from East Timor's capital, Dili. Bishop Belo said that he had "no doubt" the Indonesian military was supporting the militiamen involved in "massacre," although an armed forces spokesman denied this.

'Some of us suspect that elements in the military want to undermine the trend toward civilian control in Indonesia,' said a diplomat based in Jakarta, who asked not to be identified. "Remember it was Habibie who surprised everyone, especially the military, by offering in January to give East Timor an effective choice between autonomy or indepen-

Since East Timor was invaded in 1975 and annexed the next year, hundreds of Indonesian soldiers have been killed or wounded in fighting with East Timorese guerrillas, who want inde-Other officials share this concern. Not pendence. Some army officers reportedly believe that it would be a grave blow to national unity and military prestige for East Timor to be allowed to Miss Anwar said in an interview with

peacekeeping force to enter East Timor now, as demanded this week by the East Timor rebel leader, Xanana Gusmao. There are many forces within In- limit Internet access was unclear. More than 400 people have died in donesia itself which are not fully sup-

said. "To be seen to be giving in too much to the anti-integration side would rather difficult position." Edi Sudradjat, a former army chief and defense minister who now heads the

Justice and Unity Party, one of 48 parties competing for seats in the new Parliament, said that Indonesians had lost their trust in both the government and military leadership because of the failure to halt the violence. "People no longer believe in those in

power or in positions of command," he

Jusuf Wanandi, chairman of the supervisory board of Indonesia's Center for Strategic and International Studies, said that the armed forces were discredited because they had been "so to the use of force" to maintain the unity repressive for so long as hatchet boys of Suharto. They committed a lot of excesses which people remember and re-

The Jakarta Post said in a recent editorial that lack of discipline in the military had become intolerable.

'Military academies should introduce human rights subjects in their curriculum," the newspaper said.

TRAVEL UPDATE **Iraq Rejects UN Overtures** U.S.-China Air Accord Air Passenger Increase GENEVA (AP) - Airports handled

New York Times Service

UNITED NATIONS - Iraq has angrily rejected the recommendations of three special panels that have tried to find a solution to the diplomatic impasse over Iraq on the Security Council.
Western diplomats said Iraq's blis-

tering response made it clear that Baghdad would not accept any further arms inspections unless economic sanctions imposed after its defeat in the 1991 Gulf War were lifted.

"The net result of the recommendations is disappointing" because they "fall short of the goal, which should have been putting an end to the prolonged regime of sanctions." Iraq wrote in response to reports issued last week by Celso Amorim, Brazil's UN representative, who led all three panels. The panels' conclusions not only provide "the enemies of Iraq with the pretext for future aggression." it said, but would also infringe on Iraq's marked the 30th anniversary of its Brit-ish debut Friday by returning to its origaccepted by the government of Iraq."

The panels sought compromises that would permit new arms inspections, improve Iraqis' welfare and resolve the fate of more than 600 people who disappeared after Iraq invaded Kuwait in 1990.

North America

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Latin America

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Loath to Lose Backing, Bush Calibrates Stands

On Tough Issues, He Plays to Both Sides

By Richard L. Berke New York Times Service

AUSTIN, Texas — Ask Governor George Bush of Texas, the early favorite for the Republican presidential nom-ination, about prickly issues and his carefully wrapped responses are those of the ultimate Rorschach politician:

Voters can see what they want to see. In comments that should please advocates of gay rights, Mr. Bush maintained that no one should be disqualified from an ambassadorship or other presidential appointment because he or she is a homosexual. But he also appealed to opponents of gay rights, saying that ho-mosexuals should not be foster parents, and that there should not be a specific reference to them in hate crime leg-

He also takes a play-to-both-sides po-sition on abortion. Unlike some of his rivals, Mr. Bush refused to say whether he would insist on a running mate who opposed abortion.

"It's too early to determine," he

Though he described himself as "pro-life," he appealed to voters who are less adamantly opposed to abortion by saying the country was not ready to embrace a constitutional amendment banning all

to say whether President Bill Clinton's policies had been sound. Again and again, he stuck to the same line: "He'd better have a clear exit strategy.'

Wall Street Journal that attacked his statements as "so vague and tepid as to be aimost Clintonian," Mr. Bush has expanded on his views a bit.

At a news conference in Austin on Thursday, he suggested he could be open to the deployment of ground troops, saying, "I worry about whether or not the bombing campaign is being done with ferocity." He said it "should be a military decision as to whether or not troops are needed."

In a striking contrast to his opponents who are scurying across the country trying to gain traction by articulating their stands, Mr. Bush is staying put in the Texas Capitol, sitting on his overwhelming lead in the polls, and saying as little as possible.

When he does address issues, as he did in an interview last week, Mr. Bush skates between the left and the right, calibrating his answers to avoid offending anyone. His reticence may make political sense. The governor would risk alienating supporters if he began taking hard positions. With several opponents ready to pounce on Mr. Bush, whom they view as their biggest obstacle to the nomination, the last thing he wants is to give them more ammunition.

The danger in the governor's strategy is that his detractors have begun to portray him as not prepared to run for na-At first, Mr. Bush preferred not to tional office. On abortion, for instance, wade into the most nettlesome issue of the he has been attacked for his comments day, the crisis in Yugoslavia. He refused both by liberal groups and by conservative candidates.

"It's a strategy of rational ambigu" said David King, a professor of



Mr. Bush taking reporters' questions in Austin, Texas. He deferred to the military on whether ground forces were needed in Yugoslavia.

identify with you. He's doing it early in of work — not only physically — but I the campaign to increase the amount of haven't the federal issues like a lot of the money he gets."

As the campaign progresses, Mr. King said, Mr. Bush will need to appeal to conservative primary voters by "moving slightly to the right."

Sitting with his feet propped up on his desk at the Capitol in Austin, Mr. Bush said he was resigned to the criticism. "I guess it's what happens when

you're the front-runner," he said. Bristling at the notion that he is an empty vessel, Mr. Bush said: "I state what I believe. I've got a record. I've actually served in office. And I've signed or vetoed bills. I did a lot of speeches. And some people will like it and some people won't.

There were issues he had to figure out for himself, Mr. Bush said, insisting that he was not hiding but waiting until June, after the state legislature adjourns, to

other candidates have. I'm coming from the outside. So I've got a lot of work to

On a variety of issues, Mr. Bush ambles down the middle of the road. He opposes racial quotas, for example, but supports other efforts to open doors for minorities. He calls his approach "affirmative access."

He has advocated voluntary school prayer before high school football games. Yet he is careful to say that the choice should be left to the students.

Mr. Bush said he recently had "a very frank discussion" with Pat Robertson, the founder of the conservative Christian Coalition, as part of his concerted effort to woo all factions of his party. Mr. Bush said he talked about "my heart, what my beliefs are."

How important would he consider Mr. better have a clear exit strategy."

public policy at Harvard University.

But stung by criticism, including an "You try and hide your true positions to editorial in the reliably conservative increase the number of people who will the task," he said. "It's going to be a lot said.

POLITICAL NOTES

No Joking, TV Comedians May Damage Gore Image

WASHINGTON - Recent overstatements by Vice President Al Gore have made him the butt of late-night comedians and his Republican opponents, but for Mr. Gore, who is running for president, such jokes are no laughing matter.

The late-night television hosts Jay Leno and David Letterman have been aiming shots at Mr. Gore recently for his claim to have taken the initiative in creating the Internet and his romanticized account of growing up on a farm in Tennessee and feeding the hogs every morning.

"I think my favorite Oscar moment was when the special technical achievement award was given to Al Gore for inventing the Internet," Mr. Leno quipped recently.

Such jokes could become a problem for Mr. Gore's presidential hopes.

Steven Wayne, a political scientist at Georgetown University, said late-night comics help to create a politician's persona.

"Once a public image forms, it's very difficult to

change it. Quayle became seen as dumb, Bob Dole was old and those images were very damaging," he said, referring to Dan Quayle, former vice president, and Mr. Dole, the 1996 Republican presidential nominee. Mr. Gore's chief of staff, Ron Klain, blamed

Republican mean-spiritedness. He noted that Mr. Gore had had a hand in advancing the growth and development of the Internet and that the vice president did spend summers on a farm in Tenness although he mainly grew up in Washington, the son

The pollster John Zogby said Republicans were trying to do to Mr. Gore what Democrats did to Mr. Quayle, who misspelled potato, but he said he thought the influence of jokes was probably overdone, especially after President Bill Clinton survived years of ridicule from the late-night comics.

'Clinton has created a new conventional wisdom," Mr. Zogby said. "It's no longer necessarily fatal, and it may not even hurt any more. (Reuters,

You Know Who You Are

WASHINGTON - What is Jim Nicholson wor ried about?

Flanked by party leaders from around the country, the chairman of the Republican National Committee staged a news conference Thursday in Williamsburg, Virginia, to reiterate his warning to the party's presidential candidates not to attack each other in the coming campaign, saying he would blow the whistle on any such conduct.

olations, Mr. Nicholson could not cite an example. Did anyone in 1996 do anything that was out of line? "We've looked at those races, and what we're

Were Steve Forbes's attacks on Bob Dole in 1996 out of line, as many Republicans have since charged? "We are not directing this against any specific candidate, believe me," he said.

Television ads that pick apart a candidate's re-

cord? "That would not be a problem, public record." he said. Mr. Nicholson said that he merely wanted to keep the party united through the primaries next year and focused on defeating Democrats. (WP)

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Guidelines Drafted for Study of Human-Embryo Cells

Zapatistas Go After Town Hall

covered with their hallmark black ski Zapatista administration had been vir-

Witnesses said the Zapatistas were empty-handed but they battered several police cars with their fists and shoved the Party. On Thursday, Mr. Diaz withdrew

After 10 months of a tense standoff in midafternoon, leaving several hundred to

Chiapas, the Zapatistas moved to reguard the mayor's office.

By Rick Weiss Washington Post Service

WASHINGTON — Federally funded scientists wishing to conduct experiments on human embryo cells would first have to document that the cells were obtained from women in an ethical manner, according to draft federal guidelines being discussed publicly for the first time.

But the idea that human embryo cells can be obtained or experimented upon ethically was immediately attacked asked a health institutes advisory com-Thursday as oxymoronic by critics of mittee to come up with guidelines that have to be informed that the cells might such research, setting the stage for a federally funded stem cell researchers be grown into tissues for permanent wynne, of the House of Representational department is expected to stretch through the sum-discussed a near-final draft of those would not be allowed to choose the embryo research would "violate the letmer and could become part of congressional budget deliberations this fall.

The rules are being drafted at the request of the director of the National Institutes of Health, Harold Varmus, as part of a broader effort to grant federal researchers access to human embryonic "stem cells." The cells, which can be taken from the core of young human embryos created in laboratory dishes, have the potential to grow into blood, muscle, tendon and nerve tissue.

Human embryonic stem cells were discovered last year by privately findian village in the state of Chiapas nanced scientists, and many experts believe that useful applications would come more quickly if federally funded remore quickly if federally funded re-searchers could pursue the field as well. For the past four years, however, Con-gress has banned the use of federal funds for research in which human embryos are destroyed, discarded or knowingly subjected to risk of injury or death."

Under the ban, federal scientists cannot retrieve stem cells from human embryos because that process destroys the embryo. But attorneys in the Department of Health and Human Services recently concluded that the ban's wording does not preclude federal scientists from conducting studies on already isolated stem

cells — or on the progeny of those cells, ing in suburban Bethesda, Maryland. growing in lab dishes — as long as The new rules would insist that federal control of the progeny of those cells, ing in suburban Bethesda, Maryland. someone else retrieved the original cells with private funding.

That interpretation has come under fire from some legal scholars, ethicists and treatments. To avoid coercion of potential members of Congress, and is under redonors, the rules would not allow sci-Commission. But Mr. Varmus, working for now on the presumption that the medianes could ask, and only of women interpretation of the Health and Human Services Department will prevail, has guidelines on Thursday at a public meet- transplant recipient as is currently al- ter and spirit" of the congressional ban.

By Julia Preston

New York Times Service

MEXICO CITY — The Zapatista rebels, in a bold challenge to the government, sent more than 1,000 mammed followers to retake the town hall in an Indian religious the country of the country

masks, marched into the cobblestone square in San Andres Larrainzar on

Thursday and confronted 150 state po-

lice officers in riot gear who were guard-

ing the town hall.
Witnesses said the Zapatistas were

policemen to move them away from the

building. No injuries or arrests were

The new rules would insist that federal scientists use only stem cells retrieved from leftover embryos being discarded by couples who had made them for infertility view by the National Bioethics Advisory entists to directly ask women to donate their embryos. Only independent inter- to make a creature that would be part who had already independently decided to destroy their leftover embryos.

Women considering donation would

assert their claim to the village, which is

a central political symbol because it was the site in 1995 and 1996 of peace talks

between the rebels and the government

that produced the first and only peace

A Zapatista mayor was nominally

presiding in the town hall over what the rebels called an "autonomous township." But since the government cut off all public funds to the rebel mayor, the

tually paralyzed for months.
On Wednesday, 300 state police of-

ficers recaptured the town hall, expelling

the only Zapatistas, two security guards.

along with the police and entered a com-plaint against the rebels.

Most of the protesters left town hall by

The police installed an Indian mayor,

agreement for Chiapas.

tions. The rules would prohibit women from selling their embryos but would not stop scientists or companies from profiting from the sale of tissues grown from the embryo cells. The draft guidelines would ban the use of embryo cells to clone a person or

lowed for some organ and blood dona-

human and part animal. Several representatives of scientific organizations spoke Thursday in favor of the health institutes' effort to regulate a way into the stem cell field. But Maggie

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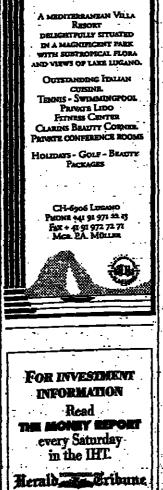
Away From Politics

• Powerful storms that swept across the Piains and Midwest have destroyed homes and downed power lines in several states and killed at least six people. The Cincinnati area was particu-larly hard-hit, with entire city blocks wrecked in the upscale suburbs of Blue Ash and Montgomery.

American Home Products Corp. has agreed to a set-tlement of the first lawsuit to go to trial in the United States alleging heart damage by the diet drug combination fen-phen. Sandra Moore had sought \$110 million in damages from the drugmaker. The Dallas Morning News, citing unidentified sources, reported that the company will pay \$500,000. (AP) \$500,000.

• Daytona Beach's plan to restrict traffic this weekend during Black College Reunion was ruled unconstitutional by a federal judge in Orlando, Florida About 100,000 people are expected to turn the main beachside road into a street party. (AP)

 A man suspected of raping more than 50 women has been linked by DNA evidence to 17 attacks, the New York police said. The police said Issac Jones, 34, was the man they were searching for when four officers shot and killed an unarmed immigrant on Feb. 4, touching off.



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Spent but Still Standing Outside the Refugee Fences, Weeping and Hoping

By David Finkel Washington Post Service

BRAZDE, Macedonia - This time,

it's a man crying.

He is standing at the border. Not the one between Macedonia and Kosovo, but the next one for the refugees of Kosovo to cross, the one separating thousands of them from the outside world.

This border is a fence encircling a city of tents that has sprung up over the past several days in an old airfield in the countryside. There are two fences, acmally, one chain link, the other barbed wire, and it is the barbed wire one that Hasim Mjahici, 36, is standing outside of. With his right hand he is wiping at his eyes. They look haunted. He is exhausted; he hasn't slept, can't sleep. With his left hand, he is holding his wallet, flipped open to a photograph of

Mighici thinks he is inside the camp. He shows another picture of another

of his children, also a boy, this one 4. also inside the camp. Another picture, another child, also a

boy, this one 1, also inside. Another picture. His wife. Inside as

Somewhere inside.

He thinks. But he doesn't know. So he has come to the fence to see, and to show the pictures to anyone who will look, and to plead to anyone who will listen, and to hold the wallet out through the fence as far as he can reach, and to not notice when one of the barbs pushes through a sleeve of the dirty shirt he has been wearing for two weeks straight, and to cry so hard that he closes his eyes and lays his head against the fence, against a barb, which presses into the side of his face, which he doesn't notice, either.

It is the next chapter of the exodus. The forced flight from Kosovo is over, at least for the 20,000 people inside the camp that Mr. Mishici stands outside of. They have survived the filth and

ZURICH — Newspapers hailed on

20 refugees out of a camp in Macedonia,

but some politicians criticized the move

The impromptu rescue by the Swiss

president followed the neutral state's

announcement this week that it would

Miss Dreifuss visited camps in Mace-

"I would probably have cried on the

donia on Thursday and returned home

whole trip back if I had left these people

behind in a camp," Miss Dreifuss, a Social Democrat, told Swiss radio.

take in refugees from Kosovo.

by the border. They survived an evac-uation this week that emptied out the Two days later, the NATO bombing field so rapidly, and in such haphazard fashion, that families were separated in the process of being loaded aboard buses that chugged off toward destinations in Greece, in Turkey, in Albania and to several parts of Macedonia.

Now comes the searching others who have come to the fences, the de, but at the others that have sprung up as well. Stankovac, with 10,000 refugees, according to the count Thursday. Radusa, with 1,000. Neprosteno, with 2,300. Bojane, with 2,100.

No refugee inside the camp gets out without proper authorization; no one outside gets in without proper authorization. Mr. Mjahici has no authori-The child is a boy. 6 years old, and Mr. zation. He has only a wallet, and even that does him no good. Because here comes a Macedonian soldier who tells him to move back from the fence. So he does. He is a beaten man.

He moves back a few steps, looking at a mural of people looking not so much at him as past him, none of whom he recognizes, and after a while he sits under a gnarled tree whose leaves are coated with dust from all the vehicles shuttling up and down the road, and he buries his head in his hands, and he weeps in the quietest way possible and says he has never been separated from his family before this. "Never."

March 24, he says, was when he last saw them. He is a train engineer, and for weeks the trains he had been driving south from Pristina had included more people heading toward Macedonia, and on March 24, the train he drove had three cars, and there must have been 500 people filling every aisle and every seat, all heading out of Kosovo, and on the spur of the moment, he says, instead of van. They got out, but they left his moth-being the driver of the refugee train, he er and father behind in the field. He is decided to become a refugee himself. He sure they are inside the fence now, somedegradation of living for days in a field passed the border. At the first stop in

Swiss President Takes In Refugees Earlier on Thursday, the Justice Min-

istry said it would grant temporary pro-

Friday a surprise decision by President tection to Kosovo refugees Ruth Dreifuss of Switzerland to whisk ed asylum in Switzerland. tection to Kosovo refugees who request-Switzerland said it would decide how many refugees to accept in coordination with the United Nations High Commis-

sioner for Refugees. The head of the Swiss People's Party. Ueli Maurer, criticized Miss Dreifuss's action. "It's unbelievable," he was quoted as saying. "This reminds me more of a kindergarten than of a statesman-like action." Adalbert Durrer, president of the conservative Christian Democratic Party, was also critical.

But Swiss newspapers praised her

of Kosovo began, and now he is a man who spends his days searching for his three children and his wife.

He is sure they are no longer in Kosovo because of a phone call he got from a relative in Germany, who said he had gotten a call from another relative. How can I find my children?" Mr. who said that Mr. Mjahici's family had Mjahici cries through the fence, and it is headed toward Macedonia. Which not just him wondering such things, but means they probably went by train, which would mean they were probably fences not only at this camp, called Braz- stuck in the hellish field at the border, which means they were probably part of the evacuation three nights ago

Which means they could be here. Right now. Wondering where he is. Not knowing that at this very moment

he is at the fence, under a half-dead tree with six singing birds in its branches, once again looking at the pictures in his wallet, once again crying.

Of course he is far from alone in this

Outside the fence, 50 other people are

And inside the fence, nearly 100 people are lined up looking out.

Outside the fence, a soldier is shout-"Back, back," telling people they have to be at least 5 meters (16 feet) away from the fence.

Inside the fence, one of the soldiers is holding onto a muzzled attack dog. Outside the fence, an old woman in a buttoned-up coat and a shawl over her head reaches through the barbed wire oward a little girl.

Inside the fence, the little girl reaches

Outside the fence, a man named Zejnula Ademi says he has been waiting here for three days, since his wife got sick at the field near the border and he bribed their way out by giving money to a guard to look the other way while they got into the back of a medical transport where within the impenetrable Brazde, but he cannot get in and they haven't come out and "I'm scared they'll trans-

with no shoes and bloody feet.
Outside the fence, Mr. Ademi sees this, takes off his own shoes, takes off his socks, puts his socks inside the shoes and throws them over the fence.

port them to another country," so here

he is. Inside the fence, a man walks by

Inside the fence, the man puts them on. "God bless you." he says, walking

Outside the fence, Mr. Ademi also walks away. Down the dirt road, not too Slobodan Milosevic "is using disprofar, just far enough to breathe some different air. Walks away in bare feet, soon passing a half-dead tree with six birds no longer singing in it and no weeping man sitting beneath it, either.

He is gone. Which means, just like his wife and three children, he could be

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Nedjmije Huseni, who lives in Macedonia, trying to hug her nephew, Rina, 8, in the refugee camp at Brazde.

Surviving Auschwitz and Belgrade

By Steven Erlanger New York Times Service

BELGRADE — Aca Singer, who lost 65 members of his family in the Holocaust, says he did not survive Auschwitz to die from an American bomb.

"When the Americans bombed the death camps at the end of World War II, I was very happy," he said, sitting in the library of the Federation of Jewish Communities of Yugoslavia, which he heads.
"Then I thought, 'Kill me if necessary, but kill the Nazis.' And a lot of Jews died at the end from U.S. bombers, and we

were not unhappy to see the bombs."

But today, he said, as NATO bombs and missiles smash civilian and official buildings in central Belgrade, "we do not have this feeling - quite the re-

The Americans say that President portionate force to repress the Kosovo Liberation Army, and that is true," he said. "But now the Americans are being disproportionate in their actions, in this criminal use of force, which is

indiscriminate. 'And this kind of abuse of power will come back to the United States like a boomerang. They are killing political pluralism here, and thus doing a

great favor to this regime."
Mr. Singer, now 76, with a full head of white hair, says he had to move from his comfortable apartment on Sarajevo Street, just behind the bombed-out Interior Ministry, because he knew it would be a North Atlantic Treaty Organization target

'I'm pretty angry because I've been with my wife," he said. "But if I didn't get killed in Auschwitz, I don't want to provide this pleasure to anyone else."

Mr. Singer, a retired banker and amthe 3,500 Yugoslav Jews, about 2,000 of whom live in Belgrade.

The figures include those whose mothers are not Jewish, he said, so long as they regard themselves as Jews.

The first known reference to Jews In 1941, 82,240 Jews lived in Yugoslavia, Mr. Singer has written, but only 15,000 survived World War II, and many of those emigrated to Israel or

Yugoslavia for shelter abroad. With help from Hungarians and Americans, 250 Jews, mostly women with children, have already gone to Hungary on buses, and

80 more are preparing to go. Most are from Belgrade, Nis and Novi Sad; some, Mr. Singer says with sad understanding, will go to relatives in Israel and elsewhere and never return.

He is reductant to draw attention to this small flow of Jewish refugees because it might seem somehow disloyal, and he stresses that no Jewish male between 18 and 60 and subject to mobilization would violate the wartime ban on travel abroad for men of those ages.

"Every Serb has a relative in the countryside where his family can stay," Mr. Singer said. "But the Jews here are a city people. We have no such places to send our children. Our families are in

Sixty-five members of my family were killed because they were Jewish only. That is genocide.'

Israel or elsewhere in the Diaspora. Asked about the sharp increase in Serbian nationalism and anti-Americanism because of the bombing, Mr. Singer admits that given his past, he is trying to look hard into the future, as a custodian for the tiny Jewish commu-

"I really do not sense anti-Semitism in the general population here, as in other countries," he said. Since the war started, there have been a few slogans moved to a little room and sleep in a cot scrawled on a synagogue wall, but nothing more serious.

Still, he says, he has been accused by some (though not by the government) of being insufficiently pro-Serbia in public ateur historian, is one of the leaders of statements. And like many here, he is concerned about the rise of the Radical Party leader, the ultranationalist Vojislav Seselj, who is a deputy prime min-

ister of Serbia. Mr. Seselj has made no anti-Semitic remarks, but he considers the French living in Belgrade dates to 1337, he said, rightist Jean-Marie Le Pen and the operatic Russian Vladimir Zhirinovsky as his friends, Mr. Singer said. Both have

made anti-Semitic remarks.
"We cannot know what will hap-

Now, under the pressure of the bombs, American Jewish politicians who are he says, Jews are again leaving speaking for the American govern-

It may seem ridiculous, he said, but having strong anti-Serbia language com-ing from Defense Secretary William Co-hen; Secretary of State Madeleine Albright; her spokesman, James Rubin, and the national security adviser, Samuel Berger, has had an impact in

Mr. Cohen and Mrs. Albright, although they have Jewish relatives, are not Jewish.

But, Mr. Singer said, "here they see the Jewish name, and they think everything is somehow connected.' What most infuriates the gentle Mr.

Singer, he freely admits, is the use of the "genocide" by all parties — the Serbs, the ethnic Albanians and, he says, the Americans. There is a tendency to manipulate

unique experience of the Holocaust as propaganda or justification for policy misjudgments. What was done in Bosnia, Croatia or Kosovo, however horrible, he says, is not genocide.

with the Jews," he said, to use the

"I don't at all agree that this is nocide," he said. "There was no ef: fort to exterminate an entire race - men, women and children — merely because of their religious or ethnic identity. Both the Serbs and the Albanians

pressure us for sympathy and comparison," he said wryly.
"Both sides, it seems, want to be

"I put myself on neither side." President Bill Clinton and Prime Minister Tony Blair of Britain, by comparing Serbian attacks in Kosovo to the mass murder by the Nazis, "are also ma; nipulating with the Jews," he said with

He stopped, then said softly: "Sixty; five members of my family were killed in Auschwitz, and I know all their names, first name and surname. The youngest was a baby and the oldest, my grandfather's brother, was 92. Sixty-five people killed because they were Jewish

only. That is genocide."

He rubbed back his soft white hair and changed glasses again, looking out the window to say: "I survived by accident, and no one should ask why. I would have been number 66. That is genocide. I give assimilated in Communist Yugoslavia. pen," he said, but he pointed to "your myself the right to think this way."

ADVERTISEMENT

His Holiness

Maharishi Mahesh Yogi

the fear of terrorism, war, and

oday the UN has become

A a laughing stock, failing

everywhere, and is ignored.

So NATO has attempted to

control the Yugoslavian situ-

ation with violence. But its

bombardment has intensified

the disaster, and created a

new bloody history of the

world. World peace is now in

the hands of those with the

The danger to the world posed

by NATO's bombardment is

terrifying. It has set an exam-

ple to every nation in the

world-if you don't like an-

other country, and they won't

obey you, then bomb them

NATO has effectively legiti-

mized the principle of foreign

policy through violent attack.

The result is that now born-

bardment can happen to any

country in the world at any

time. This is the reality-your

city could be next. Therefore.

can we wait even a single mo-

ment to establish world peace?

What is Happening In

Yugoslavia Can Happen

To Any Nation

At Any Time

Can you imagine if bombs be-

gan to fall on Washington,

D.C., and to destroy the high-

rises of the money markets of

New York? Will NATO be

able to prevent this? When

this happens it will be beyond

the power even of the

wealthy to save the situation.

trollable flames, it is too late to

power to destroy.

and destroy them.

destruction.

Endowment Fund for Perpetual World Peace WORLD'S WEALTHIEST CALLED UPON

The horrors of war being witnessed in Yugoslavia are creating fear in the hearts of everyone everywhere. This crisis is a challenge to the wealthy of the world to save their own wealth and the life of all the people in their nation.

who introduced Transcend ter to prevent the house from tal Meditation to the world forty catching fire in the first place. years ago, and opened the gate-A new approach to creating way of enlightenment to milpeace is urgently needed—one lions of people, has now estabthat prevents war. And if such lished the Endowment Fund for an approach exists it must be Perpetual World Peace to forever free our world family from

Persuasion does not create peace—the UN has proven that. Violence does not create peace—NATO has proven that. In fact the whole human history has proven that neither of these approaches works.

So our choices are to accept war throughout the world as inevitable, or to do something new that really has been demonstrated to create indomitable world peace.

Peace Can Only Be Created By Taking Recourse to Natural Law

The way to do it is to take recourse to Natural Law. It is possible now to create a powerful influence of coherence inside and outside of any country with a group of experts in the technologies of Natural Law (such as Transcendental (editation and Yogic Flying).

The effectiveness of this approach has been demonstrated throughout human history and by many scientific research studies in the past 20 years in different small areas of the world. This approach will create such an integrated and harmonious world consciousness that violent thoughts will simply not arise, and there will be permanent world peace.

A German physicist Albert Einstein in 1939 proposed to President Roosevelt a weapon of mass destruction which was used to destroy Hiroshima, and has controlled the destiny of mankind

Now a young German scientist of this generation, Professor Volker Schanbacher, is dig a well to get the water. Bet- proposing a new weapon of creation of world peace.

Natural Law which is nourishing and peace creating—a technology of peace which every Head-of-State can use to make his country the Country of World Peace, and erase the memory of Hiroshima, and the present disaster of

The choice now for our generation is whether to go for destruction, or rise above destructive power, and go for the nourishment of all life on earth through the technologies of Natural Law.

The Wealthy Should Wisely Protect Their Own Wealth and the Life of the Nation

The wealthy leaders of society would be well advised to ensure that they do not become subject to the influence of destruction that their governments are creating in the world. Otherwise the destroyer will become the destroyed, and the people of the nation, the wealth of the nation, and the life of the nation will be scattered to the winds.

The wealthy would be wisefor their own sake—to take advantage of the existence of proven technologies of peace. They should create an Endowment Fund for Perpetual World Peace to prevent terrorism and eliminate the fear of destruction. They should give 1% of their wealth to this Endowment Fund—thereby protecting the other 99% of their wealth-and simultaneously save the future of their country and the world. This is not only charity—it is self-

The Endowment Fund for Perpetual World Peace

The time is now to establish the Endowment Fund for Perpetual World Peace in response to the global demand of people everywhere for the The income from this Fund will be used by the donors for one purpose alone—the training and maintenance of a permanent force of experts in creating World Peace-who create peace not by talking or by bombing but by radiating peace from the level of infinite peace in the unbounded ocean of consciousness within every human being.

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ductible in the United States.

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Creators of the Endowment

WASHINGTON - One week into 'Before I came over here tonight I

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Blair and Clinton: Brothers in Arms

By Charles Babington Washington Post Service

the NATO air campaign against Yugoslav targets, President Bill Clinton began a long-scheduled speech to an electronics trade group by explaining how he had spent the last few hours.

had a long meeting," Mr. Clinton said, referring to a session with top military and foreign policy advisers. "And I allies such as President Jacques Chirac Clinton and Mr. Blair confer frequently went and had what has now become of France. Chancellor Gerhard not because they have to, but because almost my daily phone call with Prime Minister Tony Blair." Clinton aides were hardly sur-

prised that the one conversation he cited was with the British leader, a political soul mate with whom the president has grown even closer in the past three weeks. Renowned for being simpatico in their pragmatic-centrist approach to electoral politics and domestic issues, the two

now are reinforcing each other's mes-

sages on how to conduct the war against

President Slobodan Milosevic of Yugoslavia — and how to keep the NATO alliance firmly behind it. Few argue that NATO solidarity against Serbian aggression in Kosovo would collapse without Mr. Clinton's and Mr. Blair's stereophonic support. But the encouragement and reassurance they lavish on each other, and on their chief NATO counterparts, has made it easier for European leaders to demon-

strate a common front against Mr. Mipolitical foes, analysts say. "It has made it very, very solid," said a White House adviser, Sidney Blnmenthal, who closely follows political events in Britain, France and Germany.

noted, when France wanted U.S. heli- said Mr. Clinton and Mr. Blair maintain copters and crews to support French troops fighting Bosnian Serbs under UN leadership. Mr. Clinton resisted, prefer-ring air strikes alone, and Britain, led then by Prime Minister John Major, called for more negotiations between allies and the

In championing the Kosovo campaign, Mr. Clinton and Mr. Blair each publicly denounces Mr. Milosevic almost daily and talks by phone with key

The two leaders reinforce each other in the war against Milosovic.

Schroeder of Germany and Prime Minister Massimo D'Alema of Italy.

easier to maintain NATO solidarity, 1997. Mr. Blair has shown loyalty and European analysts say, but other heads of state seem determined to confront Mr. Milosevic in their own right.

"There's every sign that Schroeder is on board," said Peter Riddell, a colunnist for The Times of London, and Mr. Chirac, too, has been steadfast in backing the NATO action. "D'Alema is a different matter." he noted, largely because of Italy's proximity to Yugoslavia and Mr. D'Alema's background as a former Communist.

But even the Italians have stayed on the NATO reservation, Mr. Riddell losevic with minimal criticism from noted. The Clinton-Blair teamwork, he said, helped assemble the allies' resolve been enough to sustain it.

separate lines of communication with NATO leaders although they probably coordinate their message. "I don't think Blair acts as Clinton's intermediary." Mr. Grant said. If anything, he said. Mr. Blair has taken the lead "in convincing the United States" of the wisdom of supporting the so-called St. Malo agreement, a proposed European defense doctrine that would not require a U.S. role:

their friendship in times of crisis. "This is a buddy movie," a senior official said. Mr. Clinton's 1992 election showed Mr. Blair the path toward the centrist "third way" - which de-The steady commentaries by Mr. and Labor-Conservative traditions

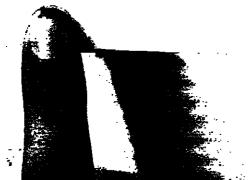
Clinton and Mr. Blair perhaps make it that vanited Mr. Blair to victory in early parts from some Democratic-Republican

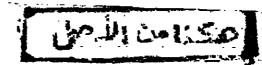
they enjoy it and take comfort in

friendship since, famously standing be-side Mr. Clinton during a withering Washington news conference at the height of the Monica Lewinsky scandal Mr. Blair acted out of loyalty, but he also "was putting a major deposit in the favor bank," said Jonathan Freedland, columnist for the Guardian newspaper in

■ Blair Support at All-Time High

The conflict in Yugoslavia has made Mr. Blair one of the most popular leaders since World War II, a Gallup poll, resaid, helped assemble the allies' resolve against Mr. Milosevic last month, but nightly television accounts of Serb him as prime minister, far outstripping arrocities against Kosovo civilians have the best score of a former Conservative The NATO alliance was less cohesive in dealing with Bosnia in mid-1995, he Charles Grant, director of the London-based Center for European Reform, over the Falkland Islands.

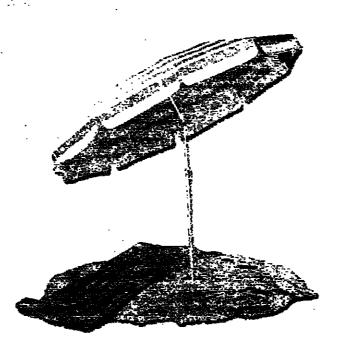


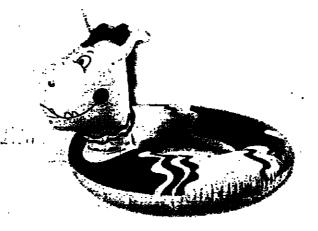


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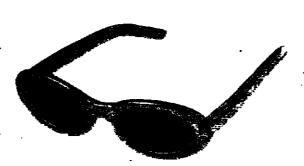
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EDITORIALS/OPINION

The Refugees' Plight

After weeks of terrorizing ethnic Albanians and forcing them out of Kosovo, Serbian forces are now apparently yanking them back. They have closed and mined the borders with Macedonia and Albania. On Wednesday night, at least 10,000 refugees waiting to get into Albania simply vanished, forcibly turned around by Serbian troops and pushed back into Kosovo. The same may have happened to about 10,000 refugees on the Macedonian border. No one knows where all these people are and how they are being treated. NATO must find out as soon as it can, and warn Belgrade not to abuse them.

Serbia's new refugee policy may be part of a public-relations effort, which included Belgrade's bizarre declaration Thursday that Kosovo is now at peace. But if the ethnic Albanians were being welcomed home, the Serbs would most likely have let reporters in to watch. They have not. It is more likely that the returning refugees will find terror similar to what they fled, and have to join the hundreds of thousands of people who are now in the hills, with

The Serbs might plan to use them as human shields, to deter NATO bombs. Since the Serbs have not closed the border between Kosovo and the Yugoslav republic of Montenegro, they may be trying to force refugees there in hopes of destabilizing Montenegro,

whose leadership opposes Belgrade.

The tens of thousands of refugees who did get into Macedonia have also been mistreated in the past few days. About 45,000 people were pushed onto buses bound for Albania, Turkey or other camps in Macedonia. Getting them out of the squalid refugee encampment is welcome, but the refugees were given no information about their destinations. Scores, possibly hundreds, of families were separated, and many were forced to leave behind the few possessions they had managed to bring from their homes in Kosovo,

including family photographs.

Macedonia is right to worry that the influx of ethnic Albanians will worsen ethnic tensions there. But these people have already been through an inferno. Mistreating them in order to discourage further refugees is shameful.

— THE NEW YORK TIMES.

The Deal With Libya

Ideally, Colonel Moammar Gadhafi would himself be tried for blowing up Pan Am Flight 103, with the loss of 270 lives, 10 years ago. The two Libyan intelligence agents now finally about to be tried in the case surely acted under his lead. The Libyan president was engaged in a deadly duel of wills with the United States: American bombs, dropped in response to earlier Libyan attacks, had killed his adopted daughter. Then came Lockerbie. Not only is he now avoiding trial for those murders, but he also is engaged in broad political bargaining that will ac-complish some part of his international rehabilitation as well.

Practically, however, the handover for trial of two criminal suspects — even suspects who may remain under the discipline of their president - marks progress in the struggle to establish accountability for acts of international terrorism. The UN secretary-general, Kofi Annan, got it right when he said that Libya's transfer of the two suspects for trial in the Netherlands under Scottish law, with Scottish judges, is "a small victory in the scheme of things." A long

decade had gone by.

These days sanctions are widely criticized, but in this case they had been carefully targeted to keep their political edge sharp. They had helped to mobilize world opinion against an accused state terrorist, but they were

Libya, caught by slumping oil prices, badly needed sanctions lifted. Some speculate as well that Colonel Gadhafi may have been considering alterations in his revolutionary, ter-rorist strategy. As much was suggested by the Paris trial in absentia last month of six Libyans, including Colonel Gadhafi's brother-in-law, in the 1989 bombing of a French airliner in Africa: The French expect Libya to jail the six

and compensate their families. Meanwhile, the United States and Britain stopped insisting on a trial on their territory, while Colonel Gadhafi agreed on what he called a 'neutral" site. The Scottish compromise made possible the deal that was finally announced.

It is satisfying that two suspects are now in the dock. The Libyan leader did not succeed in his effort to ensure that the process would spare him all harmful disclosures. The rigors of Scottish justice ensure that a trial will penetrate at least some part of the dark enveloping this case.

Some among the families of the Americans who died believe that scrutiny of the small fry leaves unaddressed the larger guilt of their chief. But others seem ready to accept the trial as a psychological and legal bottom line. Colonel Gadhafi's reputation as a terrorist is going to remain with the public no matter how the trial comes out

Bleak Growth Prospects for the Developing World

WASHINGTON — A report re-leased this week by the World Bank shows that long-term capital flows to developing countries, chiefly bond and bank loans, plummeted about 19 percent in 1998. This drop, to \$275 billion last year from \$338 billion in 1997, is roughly equal in size to the economies of Ireland, Egypt or

Even this decline understates the real magnitude of the fall. It does not include the shrinkage of so-called "hot money," or volatile short-term capital, nor does it reflect the fact that the most dramatic contraction occurred only after Russia's debt default in August. In the second half of 1998, new bond and loan financing for developing countries dropped to roughly half its average levels in the previous six months of the year.

These shocks to international financial markets have had a huge impact. While forecasting economic prospects for the developing world is always risky, it is especially difficult amid the turmoil of the past 21 months. Still. there is general consensus that growth prospects in developing countries are bleaker than they have been in years.

"Global Development Finance," the World Bank report that tracks the movement of capital flows to developing countries and was released Wednesday, estimates that developing economies grew by an average of just 1.5 percent in 1999, the slowest rate By Joseph Stiglitz

since the 1982 global recession. This contrasts with growth of 4.8 percent in 1997, before the full impact of the Asian crisis was felt. Many countries - including some in Latin America, former Soviet republics, and Middle Eastern and African oil exporters face stagnation or even falling output. East Asian economies contracted by an

estimated 7.7 percent last year. While some nations, such as the United States, have benefited from low inflation because of falling commodity prices, many poor countries that de-pend heavily on commodity exports have been devastated. Others have seen their economic prospects dampened as world trade expanded by only 4.6 per-cent in 1998, down from more than 9 percent growth in 1997.

The bank's report highlights another disturbing trend: Development aid is stagnating at its lowest level in more than 50 years. At \$33 billion worldwide, aid from wealthy donors has fallen to less than one-quarter of 1 percent of the combined gross national product of industrial countries, a 38 percent decline since the beginning of the decade. Yet improved policies in many low-income countries mean that aid is more effective than ever in reducing poverty. It is a cruel irony that just as the sudden drying up of volatile commercial loans makes aid of Seven industrial nations calling for faster debt relief for the world's poorest countries. Another is that even though long-term capital flows fell, foreign direct investment in developing countries was much more stable, declining only slightly last year, to \$155 billion from \$163 billion. Such investment can provide access to markets, technology

and expertise. When the East Asian crisis struck, there was a rush to blame borrowers. Over time, a more balanced perspective has emerged. For every borrower there is a lender, and lenders, too, are accountable for their failure to act prudently - to make sure that the companies and projects taking their credits are well managed and profitable.

As governments, workers and small businesses cope with the costs of the recent turmoil, there is a danger that they will draw the wrong lessons and reject the benefits of joining the global economy. Instead, the key lesson is that risks posed by volatility in capital flows, commodity prices and exchange rates must be carefully managed. Policies designed to respond to these turbulent external conditions need both government and private sector involvement.

Recent studies suggest that where financial institutions are weak, rapid liberalization of controls on money entering and leaving a country often ex-

more argent than ever, it is shrinking.
One encouraging development is recent statements by leaders of the Group growth or investment is less than compelling. Of the world's five largest emerging-market economies, the only two with sustained growth in 1998, China and India, have chosen a more selective approach to liberalizing their financial sectors and capital account transactions. These two countries alone account for 40 percent of the developing world's population

Volatile markets are an inescapable reality. Developing countries need to manage them. They will have to consider policies that help stabilize the economy and help it absorb some of the shocks that volatile markets cause. These could include sound bankruptcy laws and Chilean-style policies that put some limits on capital flows.
We should welcome experiments

And second

- 1960 A

ANNE MAI LANGE (E)

that aim to protect countries from capital market instability, even those that seem unorthodox. In judging such reforms, as well as the value of previous responses, we should be careful not to confuse means with ends. Stable exchange rates, or particular levels of exchange rates, are not ends in themselves. The objective should be to ensure sustainable, steady and equitable growth.

The writer, chief economist and se-nior vice president of the World Bank, contributed this comment to the International Herald Tribune.

Misguided America Ignores the Dangerous Dictatorships

NEW YORK — Do Americans un-derstand that while we have been bombing the Serbs, the following took

 Libya was exonerated from responsibility in the destruction of Pan Am

• Saddam Hussein's closedown of the UN search for Iraq's nuclear, chemical and biological weapons went into its eighth month. Richard Butler, the chief arms inspector, was barred Wednesday by the Russians from even entering the UN Security Council chamber where his inspection commission was the agenda, marked for death.

• The Chinese prime minister was visiting America getting a great press — plus a step nearer to a trade agree-ment that will fatten China's economy and armed forces. On the day Zhu Rongji arrived in Washington representing the Communist Polithuro, President Bill Clinton criticized not China's expanding arrests of political and religious dissidents, but American critics of China.

Do Americans understand that while we fight one dictatorship, fumbling around trying to heighten the war and an insult to the dead and their fa somehow end it at the same time, three and to all who fly in U.S. planes.

By A.M. Rosenthal

other dictatorships more dangerous to U.S. interests are walking away with America's pants?

The Libya deal was possible because the U.S. administration signed off on it. This sweetheart gift to Colonel Moammar Gadhafi ends the effective sanctions imposed on Libya for harboring two Libyans accused of murdering 270 people in the bombing of Pan Am 103 on Dec. 21, 1988.

American intelligence agents are not allowed to ask the suspects now held in the Netherlands if perchance Colonel Gadhafi knew what his boys were up to or if Syria and Iran were involved — as Western intelligence agencies had long believed. During the trial itself, Libya's government is not to be undermined, hear?

For Libya, a no-loser. Even if the men are found guilty, the sanctions will remain ended. Italy, Russia, France and other countries already have lined up fat oil and gas deals with Libya. U.S. companies will follow. The deal is disgusting, an insult to the dead and their families,

By Dennis J. Kucinich

Do Americans understand that the U.S. delegation to the United Nations did not stand up and holler at the barring of Mr. Butler?

Do they understand that Mr. Clinton denounced U.S. critics of China on the very day that Jeff Gerth and James Risen of The New York Times were writing that even more Chinese nuclear espionage took place than the reporters had already disclosed? Another chapter in Chinese espionage was written in 1995, reported to the national security adviser, Samuel Berger, in April 1996, who told the president in July 1997, who ordered tightened security — in February 1998.

Do Americans understand that the administration disgraced itself in the war on Serbia?

Slobodan Milosevic, not America, is responsible for driving cold, hungry, terrified Albanian Kosovars from their homes. But Washington's disgrace is that Mr. Clinton and his top people did not know and did not expect that Mr. Milosevic would use the bombing as an opportunity to expel them by the hundreds of thousands. American leadership still does not seem able to plan more than a couple of days ahead.

So we need no longer worry about America's credibility; it has none. For a democracy, credibility comes not just from smart weapons but smart. leaders, from respect for the intelligence of the public, domestic and foreign, from a measure of honesty. In a democracy, pretense in war or peace is transparent, embarrassing and finally self-destructive.

we need not and should not support
Kosovar secession. But we helped
Mr. Milosevic in his fight with
the Kosovars by not foreseeing his
mass expulsion plans, and not having
our own plans that would treat the
Serbian nation as something more than a bombing target.

When at war, support the troops. To me that means making sure they have the strength they need, the affection; respect — and a doable mission.

What it does not mean is keeping out mouths shut about misconduct of a war by an American government --- or about its failure to protect American interests in other crises that may inconveniently! present themselves. That is not supporting American armed forces, but walking away from them.

War IL 60

White House and China

Differences between Washington conduct. It remains unclear whether and Beijing over human rights, the response was motivated by a desire Kosovo and Chinese admission to the to avoid friction with China at a time already casting a shadow over the visit to America this week by the Chinese prime minister, Zhu Rongji. Then came a new report Thursday that China may have stolen neutron bomb secrets from the United States during President Bill Clinton's first term, Earlier accounts said China had stolen design information about other U.S. nuclear warheads a decade ago.

The problem is not merely the potential damage to U.S. security. As troubling is evidence - described by Jeff Gerth and James Risen in The New York Times (IHT, April 9) — that top White House officials, especially Samuel Berger, now the national security adviser, reacted lethargically when the first alarms were sounded about the suspected spying.

Mr. Clinton offered a strong defense of his policy of engaging China. But he acknowledged that China's goals sometimes conflict with those of the United States and promised that his administration would vigorously up-hold U.S. interests. On Thursday, Mr. Clinton effectively used his joint press conference with Mr. Zhu to offer frank criticisms of China's worsening human rights record. He wisely refrained from agreeing to Chinese membership in the trade group while market access issues remain unresolved.

Unfortunately, the White House's initial handling of the nuclear espionage cases in 1996 seemed to reflect a tolerant attitude toward Chinese mis-

mend tattered relations, or whether Mr. Berger and his colleagues failed to recognize the significance of the espionage information when it was first presented to them.

Energy Department investigators first told Mr. Berger in April 1996 of suspicions that China had stolen designs for America's most advanced nuclear weapon in the 1980s from the Los Alamos National Laboratory. They also mentioned intelligence reports that China may have more recently stolen neutron bomb designs. Mr. Berger asserts that this 1996 briefing was cast only in general terms and that he did not learn the true extent of the problems until mid-1997. Others who attended the meeting dispute this.

If they are right, Mr. Berger should have briefed Mr. Clinton and ordered immediate security improvements at the nuclear weapons labs in 1996. Yet Mr. Clinton was not alerted to the seriousness of the problem until July 1997, and lab security has been

tightened only in the past few months. Mr. Clinton has asked the president's Foreign Intelligence Advisory Board to investigate the Chinese nuclear espionage issue, including the response of administration officials. That inquiry, as well as parallel congressional investigations, must closely study and report on the performance of Mr. Berger and other na-

tional security officials. THE NEW YORK TIMES.

Is NATO Justified in Its Campaign Against the Civilian Serbs?

LEVELAND — The responsibility to relieve the suffering of the people of Kosovo, to ensure that the refugees can return to an autonomous nation

and to help rebuild the province and prosecute war criminals. That is why I voted my support for President Bill Clinton's initiatives and for the use of American soldiers in keeping the peace in the region. Yet NATO is now engaged in

a bombing campaign in which the destruction of the civilian infrastructure of Yugoslavia has become part of the strategy to end the war on Kosovo. We say our quarrel is with President

OS ANGELES - Even in

Lithe best of times, Asia is

divided by ethnic and class dif-

ferences and political allegi-ances. But the American-led in-

tervention in the Balkans is

starting to make it the worst of

times for the region's cohesion.

Disturbingly, China sides with President Slobodan Milo-

sevic of Yugoslavia. This will

not do wonders for China's im-

age in the United States, or for

Prime Minister Zhu Rongji's

visit this week. Mr. Zhu has

demanded an immediate halt to

the region voicing a strong opinion. Half the region worries

that the United States, if it fails

its mission, will become a dis-

abled superpower — an uncer-

tain trumpet of geopolitical sta-

bility. The other half chafes that

ever more potent power and he-

For Asians, there is an ad-

ditional worry. They know that

they face Kosovo-like implo-

sions of their own. Muslims on

China's western edge agitate for separation; Indonesia, a

shaky archipelago of thousands

of islands and many anxious

ethnicities, totters toward dis-

stance has attracted Asian sup-

port that might surprise many

Americans. Singapore, next door to Indonesia, is rooting loudly for a firm U.S. showing

President Bill Clinton's

But he is not the only one in

the NATO action.

gemonic enforcer.

integration

Slobodan Milosevic and his that serve civilian populations; army, yet instead of doing all that before we begin hearing the we can to directly confront that phrase "collateral damage" military we are bringing down routinely. Otherwise, NATO's terror on the Serbian people. What has this bombing ac-

complished? It has not stopped the ethnic cleansing or the grim procession of hundreds of thou-

campaign against civilians before we destroy all the bridges in Belgrade and Novi Sad; before we obliterate the power plants, water systems, mads and telecommunications centers der Mr. Milosevic's authorit- misled by Mr. Milosevic. Fifty

actions will destabilize the region for decades to come.

As a start, NATO, should honor a cease-fire this weekend of Orthodox Christian Easter -sands of refugees.

So I must challenge NATO's feigned concern for the faith of justification for its military his people, but to show genuine respect for the civilian popu-

lation's religion.
The bombings in Belgrade and Novi Sad punish people who have already suffered un-

arian regime. NATO's actions million people died in World: convert more of the Serbian people to his mix of militant nationalism and religious fervor - even those who do not believe in his policies will defend their flag and their faith.

One does not need to be steeped in the mythology of the Battle of Kosovo of 1389 to know that the Serbian people will never accept a peace with the ethnic Albanians as long as we are dropping bombs on their heads.

The United States now has to decide whether it will continue to destroy a civilian population

myth of American invincibility

North Korean government is it-

self reason enough to pray fer-

vently that America does not

falter in the Balkans. Every

American — and most Asians

should wish the United

The rooting interest of the

to be destroyed.

States success.

vilians. Civilians always pay the, heaviest price, and in this case it is not just the Serbs who are suffering. The bombing this: week has added to the devastation of Pristina, the capital city of the people we are trying to help.
We Americans will pay a: price, too. If we continue to support NATO bombing, we

vilians. More than 1.5 million

killed in Korea and more than.

one million in Vietnam were cia-

Detcent of them C1- ()

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Mary .

Long the Table 1

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will have muddied our ethics and tarnished our reputation. for defending those who live under dictatorships. We need to rethink not only

the manner in which we wage war, but also the manner in which we manage conflict and keep the peace. We must demonstrate that we know the. difference between a legal and the voice of a genuine U.S. ally. its missile and military pro-Japan tries not to sound an grams; it also clearly wants the on behalf of a civilian population just humanitarian intervention and an illegal and unjust military intervention against civilians.

Otherwise, we will have. bombed the village in order to save it, and created a war in the name of ending one.

The writer, a Democratic representative from Ohio, contributed this comment to The

Los Angeles Times. New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: A Cab Wedding PARIS — The inhabitants of

the rue Drouot were surprised to see a procession of four automobile cabs arrive at the Mairie. In the first was a blushing bride, all in white, with her mother and bridesmaid. In the second was the bridegroom, with three friends, while ten more were contained in the two remaining automobiles. After the civil ceremony the party again entered the vehicles and rolled off the church. Two hours later the noce was seen spinning through the avenues of the Bois. This time, however, the husband and wife were seated side by side in the leading vehicle.

1924: Ignoring Lenin

WASHINGTON - Washington authorities have refused the

as a memorial to Lenin. They replied that the United States has never recognised Russia and has, consequently, taken no official cognisence of the career of the dead leader of the Rus. Sian revolution.

1949: Tito Accuses

BELGRADE — Marshal Tito accused the Cominform of trying to start a civil war in: Yugoslavia in an attempt to: overthrow his regime and strip! Yugoslavia of its sovereignty... He served notice that he would fight the Cominform aims; which have nothing in common with Marxist and Leninist conceptions of the equality of rights and the sovereignty of small nations." He said that Yugoslavia would not turn to warmongering reactionaries world, according to intelligence request of Mr. Bentley Mulford, sources. North Korea may try of Ashford Park, N.I., to plant a the difficult situation in which

Herald Tribune

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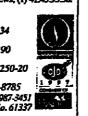
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In Asia, Mixed Feelings About the Kosovo Crisis By Tom Plate

> but it is not anti-American. It appreciates well the stakes in

Kosovo. Felix Soh, foreign editor of The Straits Times, Singapore's leading newspaper, said the Balkans may be far from Asia, but Kosovo "brings into sharp focus the horrors that could engulf Asia if ethnic and re-ligious strife unleashed by the breakdown of the region's economic, social and political or-der is not contained."

He added: "Considering what a melting pot of ethnicity Indonesia is, we cannot be complacent about the situation there. The most unequivocal of signals must be sent to the Serbs and other brutal regimes that the international commuit will succeed and emerge an nity would not sit by idly ... as acts against humanity are

being committed." War creates strange alliances. Neighboring Malaysia, so often testily at odds with Singapore, and with the United States, is rooting for U.S. victory. In the Kosovo ethnic cleansing, Malaysians see a Muslim survival issue. "Muslims cannot and must not allow another repeat of

Bosnia," wrote Idris Salim in the New Straits Times. Only New Zealand and Australia are equally unequivocal "History has told us," said Prime Minister John Howard of Australia, "that if you sit in Yugoslavia. This island city-state manages to maintain ex-much greater price later on."

uncertain trumpet, but flat-out national support for the United

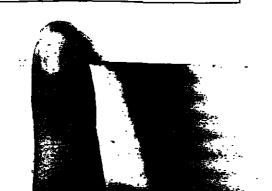
States is beyond its cultural ken. Tokyo is caught between the twin tugs of postwar pacifism and its need for U.S. alliance. While officially supporting the Clinton administration Prime Minister Keizo Obuchi forthrightly termed the NATO strikes "an unavoidable step to prevent a humanitarian atrocity" — major Japanese commentators, reflecting unex-pressed doubts in the government, question not only the intervention's legality under international law but also its ul-

timate effectiveness. Much of the rest of Asia was even less sympathetic. For instance, many in India, perhaps still smarting from Washington's condemnation of the country's nuclear tests, were almost China-like in opposition. "The U.S. and its docile instrumentality, NATO, can today wage wars of intervention against any other nation which has no long-range missile and nuclear capability," wrote the Times of India.

Tellingly, North Korea, a Chinese ally, was particularly unhinged by Balkan developments. The bombings ordered by Mr. Clinton compelled Pyongyang to whisper to Rus-sian officials that it was dealing with a "new Hitler" determined to conquer the entire

state manages to maintain exnuch greater price later on. sources, Ivorus knieg may my or Asimon rate, iv..., to plant a the conficult situation in cellent relations with China, That sounds comfortingly like to use Kosovo to accelerate tree in the Capitol grounds here our country finds itself."

المان الأصل



Smoke rising Friday from the makeshift camp at Blace, Macedonia, as the authorities began to dismantle it.

REFUGEES: Allies Search for Thousands Missing Near Border

forced refugees back to make them "hu-man shields" around the military targets

of the allied bombing campaign, which continued Friday despite unfavorable

Particular concern has been expressed about the fate of thousands of people who were lined up behind the border

crossing on the road from Prizren to the

cars and wagons and tractors are just

abandoned, with luggage and food left behind and nobody visible on the road,"

Judith Kumin, a spokeswoman for the

UN High Commissioner for Refugees in

"I am very much concerned for the

Geneva, said in a telephone interview.

assume responsibility for more than 100,000 ethnic Albanian refugees from

Albania volunteered to take in more

refugees as long as Western countries

agreed to house and provide supplies for

them. According to the United Nations

es, Macedonia more than 100,000

High Commissioner for Refugees, Al-

By volunteering to take in thousands of additional people, Albania, one of the

poorest nations in Europe, would benefit

from public works for roads and san-

itation as well as bousing.

An administration official estimated that the United States had been prepared to spend \$180 million to house 20,000

and Montenegro more than 50,000.

temporary or permanent asylum.

U.S. Suspends Plan for Cuba Base

WASHINGTON — Bowing to pressure from refugee groups and aid organizations, the Clinton administration has suspended plans to fire Variable (1997). We think a Albanian refugees from Yugoslavia, saying that the newcomers would destroy Macedonia's delicate ethnic balance. NATO offered to airlift them out; most NATO nations that

planned," a top official said, while em- bania already has more than 300,000

Macedonia were beginning to improve.

"We want to keep people in the region," he said. "We want to prepare the people to return to their homes. It will be months. "That money would go a long way to rebuilding Albania," the official way at the same time give the

e region." said, "and at the same time give the Macedonia asked NATO last week to refugees the homes they want."

MACEDONIA

303,000 REFUGEES*

Most of the refu-

Albanian families.

'Since March 1998,

gees are being

housed with

▲ Refugee camps

Sources: UN High Commissioner for Refugees; U.S. Agency for International Development; NATO

Macedonia

117,000 REFUGEES*

About half are in

camps. The rest are

living with host fam-

ilies or in buildings.

"We have received reports from the few people who have come through that all along the road behind the border the

weather conditions in the Balkans.

Albanian border town of Kukes.

home. NATO has rejected all these fate of civilians remaining in Kosovo," claims as a duplicitous sham. fate of civilians remaining in Kosovo,"

claims as a duplicatious sham.

The NATO secretary-general, Javier Solana Madariaga, said Friday that the Serbian forces inside Kosovo might have the said. "I am the high commissioner, Sadako Ogata, the high commissioner, Sadako Ogata, said Friday in Skopje, the capital of Macedonia. Asked what her organization could do for them, she said, "I am

helpless there."

keeping force.

Almost all international organizations

left Kosovo before March 24, when

NATO began bombing to try to force

Mr. Milosevic to accept a peace set-tlement restoring autonomy to the ethnic

Albanian population of the province and providing for an international peace-

General Naumann said in an inter-

view with German radio Friday that it would be "very, very difficult" for the

West to impose peace in Kosovo without

sending in ground troops.

He said he could not speculate about

whether allied governments would ul-

timately think twice about their refusal to

consider fighting their way into Kosovo

to escort half a million refugees driven

out by Serbian forces back to their homes. "Ultimately a conflict is always

decided on the ground, of course," he said. "Without a presence on the ground,

it's very, very difficult to achieve that."

There are also no allied reconnais-

sance patrols from either Albania or

Macedonia that might be able to fill in

gaps in the allies' intelligence about the

offensive action against Yugoslavia.

The 12,000 soldiers were originally sent to Macedonia as the vanguard of the

be accepted."

fugees. Macedonia has allowed 12,000 allied

Continued from Page 1

missions, officials said, but thus far re-

quests for better intelligence on the miss-

offered much explanation for the fail-

Neither civilian nor military officials

Commodore Wilby said Thursday,

We are certainly trying to identify all

movement of people, and we are ob-

viously very concerned about where

ople are being moved to."

And Mr. Shea said Friday, "We be-

But the allies, like international relief

officials, have been reduced mainly to

guessing what happened after President

Slobodan Milosevic of Yugoslavia

closed the borders Tuesday night, de-

By Elizabeth Becker

has suspended plans to fly Kosovar refugees from Macedonia to the U.S.

naval base at Guantanamo Bay, Cuba.

Instead the United States will build bar-

racks for them in Albania, according to

phasizing that the United States would

etain the option of flying out up to

Brian Atwood, the U.S. coordinator

for the relief effort, had said Thursday

that the administration was reconsider-

ing its Guantanamo plan because living

conditions in the camps in Albania and

"We don't have a first flight

administration officials.

20,000 refugees.

lieve there may be 150,000 to 200,000

people in Kosovo living without shelter, in the woods, in ruined villages and so

ng refugees had not produced any.

ctators

PAGE 7

Belgrade's Firm Stance / No Gestures, No Yielding

Cypriot's Bid To Free 3 U.S. Soldiers Fails

Disappointed Envoy Criticizes Allied Strategy

Milosevic of Yugoslavia chose Friday not to make a goodwill gesture toward the West by releasing three captured
U.S. soldiers, instead deciding to use a visiting Cypriot politician to make another kind of propaganda point, about the civilian damage caused by NATO's

The Speaker of the Cypriot Parliament, Spyros Kyprianou, clearly dis-appointed, said Friday evening that his mission to free the three Americans had failed. He effectively blamed NATO itself for the failure, saying that not only had the alliance refused to make a brief bombing halt, but it had also intensified its attacks

'It is well known and it has always been the position of President Milosevic that bombing should stop," Mr. Kyp-rianou said. "From the moment I announced my initiative to undertake this purely humanitarian mission for the release of the three Americans, the bomb-

least some respect?' for his mission, and added: "Under the circumstances created and the fact that the message received by



warning on ground troops Friday.

where it has been assigned to monitor NATO's activities off the coast of

Yugoslavia. According to the Foreign Ministry in Ankara, Russia has notified Turkey that

publicly announced. The war in Yugoslavia has added new tensions to Russia's already overheated domestic political struggle, where Mr. Yeltsin's Communist opposition has been

of the Russian chief prosecutor, Yuri Skuratov, whose dismissal by Mr. Yeltsin, for a second time, has opened up a Pandora's box of charges and countercharges of corruption and misconduct that have threatened to taint members of

meeting of regional governors, would he support any plans — such as one proposed not long ago by Mr. Primakov —

Primakov government and in a recent interview, Mr. Primakov confirmed re-

nomyrdin, who met this week with Mr. Friday that he would support changes in the cabinet. "I wonder why reaction to all this has become so painful," he said.



the Yugoslav leadership and people is that the relentless bombardments will continue," he said, they "can't proceed

with a new peace gesture Mr. Kyprianou spoke to journalists after meeting Mr. Milosevic.

missed their target, killing 12 civilians and wounding 40 others. He was also taken to Cuprija, hit Thursday.

NATO and American officials said they would welcome any unconditional release of the soldiers, but had been

release of the soldiers, but had been explicit in refusing a Yugoslav request for even a 24-hour cease-fire in the

bombing campaign.
Mr. Kyprianou said that in his view the bombing should stop, that "Europe needs peace" and that even if the bombing continued "100 days, it would not solve the problem" of the southern Serb province of Kosovo.

The three U.S. Army soldiers are Staff Sergeant Andrew Ramirez, 24, of Los Angeles; Staff Sergeant Christopher Stone, 25, of Smiths Creek, Michigan; and Specialist Steven Gonzales, 24, of Huntsville, Texas. They were captured along the Kosovo-Macedonia border March 31. American officials have accused the Serbs of abducting the three, but the Serbs say the men were captured

after entering Kosovo. After raising the hopes of the Americans for a goodwill gesture on the Orthodox Easter weekend, Mr. Milosevic will now have earned himself even more opproblum in Washington for toying with the hopes of the families of the three

The White House said Mr. Milosevic would be held responsible for their

"We've said all along that there was no basis for taking them and no basis for clared a unilateral cease-fire Wednesday holding them. We will hold President and said refugees were free to return Milosevic personally responsible for their safety," White House spokesman Joe Lockhart said.

Mr. Kyprianou's comments, which did not much touch on the plight of the ethnic Albanians of Kosovo, were sure to please Mr. Milosevic.

After his tour of the bomb damage, Mr. Kyprianou said the Balkan crisis could not be solved by force. "I am not a military expert, but this is my own view after having heard things from people, and after my visit to the bombed cities earlier today, where I have seen things that shocked me," he said.

"Europe and the world must understand that this particular region needs peace, based on justice and morality, peace based on freedom, respect of bor-

Yugoslav officials sent mixed signals about the men Thursday, with the liberal Information Minister, Milan Komnenic,

promising "good news."

But the hardline nationalist Vojislav
Seselj, the Serbian Deputy Prime Minister, said freedom for the soldiers is "out of the question," because "the United States is leading an undeclared war against Yugoslavia." He said they should be tried as terrorists.

should be fried as terrorists.

It now looks as if they will be held until the end of hostilities, Greek officials said Friday. Mr. Kyprianou said he would stop his efforts for now, because "it is impossible to achieve any results in the present climate."

There was more anger Friday over NATO's bombing early this morning of the Zastava car and munitions factory in Kragujevac, in central Serbia. The workers of the factory had announced that they would form a "human shield" to protect the factory in shifts and remain in

the building even during the night They rejected a plea from factory managers to leave, and about 124 of them were wounded, some 20 of them seriously, by the NATO attack, Yugoslav state media said.

About 38,000 workers depend on the

Zestava plant, by far the biggest in the town. Its munitions subsidiary was no secret, as is the case with other factories NATO hit, such as the Sloboda factory in Cacak, which Yugoslav officials insist made only domestic appliances, but which other Serbian and NATO sources

said also made ammunition. Serbs continue to form human shields at night on major bridges in Novi Sad, where only one bridge still spans the Danube, and in Belgrade. While they wait out the night, they listen to rock and

NATO: Clinton Assails Milosevic Plan as 'Illusion' of Compliance

Continued from Page 1

that planes had hit Serbian "fielded forces" in Kosovo despite worsening

"We're up against a wily enemy," he said. "He's beginning to dig in. There are terrain, forest, deserted villages for him" to use.

"It is quite difficult to stop him." A disagreement seemed to emerge Friday in NATO over whether it was using information from rebels of the Kosovo Liberation Army to direct air strikes.

The French defense minister, Alain Richard, appeared to confirm reports from French reporters inside Kosovo that the separatists were passing on information to the allies so that bombing strikes could be carried out with more

Mr. Richard's statement appeared to contradict an earlier one by the NATO secretary-general, Javier Solana Madariaga, who denied that there had been any contacts in the field between the involved in sporadic clashes with Yugo-

alliance and the rebels. At a news conference, Mr. Richard Wilby sidestepped a question on whethsaid: "Information is communicated to er the strikes were being concentrated in some partners in the alliance." France, areas where Serbian troops are threat-though a member of NATO, is not part of ening the guerrillas.

its integrated military command struc-

He added: "The KLA makes telephone calls, there's no doubt about that. But the responsibility for making a strike rests with the alliance forces.'

The chief NATO civilian spokesman, Jamie Shea, later denied in Brussels that the guerrillas had been communicating with the alliance.

NATO support for the guerrillas is a sensitive issue in part because alliance officials had wanted to negotiate evenhandedly before the current crisis began, and they have conceded that the rebel group has long committed violent acts inside Kosovo.

Alliance officials have asserted that they do not intend to act as a military partner for the guerrillas or, in effect, their air force.

The Thursday air attacks, as described Friday by Commodore Wilby, complete with a map, were concentrated in areas where rebel forces are reportedly still slav Army forces. But Commodore

Reports from the Kosovo border with Albania indicated that rebel and Yugo-slav forces skirmished there early Friday and that some artillery shells had landed on Albanian territory.

Later, a dispatch from Belgrade said the Yugoslav Army had accused Al-bania of trying to infiltrate "armed terrorists" in the area.

■ Military Targets Hit

Air attacks late Thursday and early Friday targeted Yugoslavia's militaryindustrial plants, fuel depots and communications facilities, The Associated Press reported from Belgrade.

NATO jets struck twice late Thursday and early Friday at several targets in Kragujevac, an industrial town 88 kilometers (55 miles) south of Belgrade, targeting the Zastava industrial complex. the Yugoslav press agency Tanjug said.

Other attacks were reported near a Serbian television relay station close to Jagodina and along an electric power relay system near Valjevo, 25 kilometers south of Belgrade.

NATO has threatened to go after Serbian television sites for allegedly spreading lies and propaganda about the

NATO Strikes Have Battered Yugoslavia, but Not Milosevic

By Steven Erlanger

BELGRADE - From all available indications, the bombing has done substantial damage to Yugoslavia's infra-structure and its military.

But it is having no evident effect on: President Slobodan Milosevic's refusal. to capitulate to earlier alliance demands. that he allow 30,000 NATO peacekeepers into Kosovo, and popular support for Serbia's stand against NATO still seems

strong.

For instance, residents of the Serbian city of Novi Sad gathered again Thursday night on their one remaining bridge across the Danube River, thus putting their lives at risk if NATO was to bomb. it. Two other bridges in Novi Sad have en demolished by allied bombs.

Residents of Belgrade have similarly, gathered on their bridges.

Western diplomats said they expected Mr. Milosevic to try to stop the bombing once he had largely completed his military offensive against the insurgent Kosovo Liberation Army, which Belgrade terms "terrorists and separat-

Mr. Milosevic, some Western diplomats maintain, is counting on the de-sire in the alliance to end this war before NATO's 50th anniversary celebration in Washington on April 24 and before public pressure to put ground troops into Kosovo becomes too strong.

It will not be difficult for Mr. Mi-

losevic, with his tightly controlled me-; dia, to declare some form of victory, even in partial defeat. But that task may be harder for NATO, which must be seen to "win" its first war against a sovereign nation to maintain its credibility.

So even Mr. Milosevic is unlikely to expect NATO to accept his proclamation that peace has come to Kosovo, even if it is the peace of a charnel

After announcing the Yugoslav government's statement on Kosovo, state television also responded to NATO announcements Thursday that television offices and transmitters might be targeted unless Western news programming were also shown for six hours a day.

soldiers, including British, French and In a long and bitter commentary, the foreign editor of Belgrade Television. Tatjana Lenart, said, "We know we are U.S. troops, onto its territory, but the defense minister, Nikola Kljusev, said on a visit to the alliance's headquarters your next target."

Ms. Lenart scoffed at the NATO de-Friday that his country still insisted that mand for six hours of air time. "We will none of those troops could be used for give them six hours if they will give us at "If there is agreement with the least six minutes in exchange on their Yugoslav government for the entry of channels," she said. NATO forces into Yugoslavia, then they

"We know a lot, and we don't hide will be allowed to enter Yugoslavia," he said. "Unless this happens, the passage us up," she continued. "We only have of NATO forces into Yugoslavia cannot the word, we only have the truth, and truth is what you find so painful."

She concluded by saying: "We are here at Takovska 10, and there are several thousands of us here. We are here night and day, and we know you prefer to kill at night."

28,000 strong peacekeeping force planned for Kosovo as part of a negotiated settlement, but Mr. Milosevic In fact, employees say, at night the television center has been largely empty refused even to discuss peacekeepers. for fear of bombing, and technicians have been working in wartime bunkers.

Now the troops have been put to work helping Macedonia deal with more than 150,000 ethnic Albanian refugees. TARGET: Black Humor of Defiant Serbs

Continued from Page 1

ness and a willingness to go to any lengths to exact revenge on someone

who has wronged you.

Examples of inat are legion, from the waiter who spits in the soup of a patron who has been rude, to the people of Belgrade who took to the streets every day for three months in the winter of 1996-1997 to protest the Milosevic govemment's refusal to recognize an opposition victory in local elections.

"Inat is a natural state of mind for a weak person dealing with a stronger people," explained Voja Zenetic, a Bel-grade commentator and advertising executive who has been leading the target campaign.

When Milosevic thought he could do whatever he wanted with us, I was against him," he added. "Now I am against NATO because they are strong and we are weak." He traces the concept of inat to the desire of Serbs to get back at the Turks during their 500-year subjugation by the Ottoman Empire.

Other expressions of defiance of the United States and its NATO partners range from the creative to the obscene. Visitors to Belgrade are greeted by a huge billboard over the Sava River that is angled slightly upward, in the pre-sumed direction of U.S. planes. It displays an obscenity in English.
American-run restaurants have been

given such names as the Baghdad Café, and the Canadian Embassy has been renamed "the Embassy of Quebec," a suggestion of solidarity with separatists in that province.
The U.S. Information Center, situated

on a central pedestrian street, has been trashed and ransacked, along with the cultural centers of Britain and France.

Lewd drawings of President Bill Clinton have appeared all over town, and Monica Lewinsky jokes are legion, NATO is routinely referred to as the "New American Terrorist Organization." The once flourishing industry of Milosevic jokes, meanwhile, appears to

be grinding to a halt.
"I don't think Americans would make jokes about Clinton if they were attacked by Russia," said Mr. Zenetic, who answers his cell phone, "Hello, Clinton speaking."

Asked to tell the most current Midecrees that only one can survive, and he sounding over Belgrade.

will be chosen by democratic ballot. The final vote count goes like this: I vote for Clinton, 1 vote for Yeltsin, 1 million, votes for Milosevic.

Political jokes apart, the crisis has, spawned much black humor, as Serbs attempt to make the best of their situation. An entire subspecies of humor has. been spawned in the underground airraid shelters frequented mainly by people who live close to military that could be targeted by NATO bombs.

Question: "What is the difference between a black beetle and a red beetle?" Answer: "Just the taste." Many of the jokes consist of puns that

are difficult to translate into English. For example, the Serbian expression for "good morning" is "dobar dan," but people now say "bombar dan."

Some jokes are directed at NATO planners. After it was reported that the only town of any size in Serbia that had not yet been targeted by NATO bombs was a place called Zrenjanin, a billboard went up there with the slogan: "NATO, why don't you hit us? We are not con-

Mingled with the humor is a suspicion of outsiders and a conviction that NATO saboteurs are directing incoming at-

Rumors have spread that subversive elements are planting electronic "locaters" in military buildings, which are then blown up by NATO bombs.

A Washington Post reporter was briefly detained by military police. Thursday morning for "loitering" near the Defense Ministry while waiting for his driver to return from an errand. A military building nearby had been bombed by NATO planes overnight, and the soldiers were nervous.

The target sign is said to be the brainchild of Serbian activists in Boston who appropriated the emblem of the American retail company, adapting it slightly to their needs. It then crossed the Atlantic via the Internet.

In Yugoslavia, the image has been popularized by a group of advertising executives and intellectuals previously critical of the Milosevic regime who are now directing their creative energies to making fun of NATO.

In addition to distributing target leaflets and T-shirts, the group has opened a losevic joke, he comes up with an old Web site (www.yutarget.com), where chestnut Clinton, Yeltsin and Milosevic copies of the sign can be downloaded: are in a plane that is about to crash. Fate along with audio clips of air raid sirens

By Steven Erlanger

BELGRADE — President Slobodan

He said NATO should have shown "at



President Yeltsin repeating

YELTSIN: Russian Warnings

Continued from Page 1

as many as eight more ships might pass through the Bosporus, with sailing dates staggered between Monday and Friday. But, so far, no decision to send any of those eight additional vessels has been

pressing to go ahead with an impeachment vote against the president, sched-uled to come up for debate on April 15. The political atmosphere has been further sullied by a clash over the future

the president's own inner circle. In a week marked by alarmist reports that the Kremlin is setting the stage for a dramatic showdown with the Parlia-ment, Mr. Yeltsin said publicly Friday that he had no plans either to dismiss Prime Minister Yevgeni Primakov or to ban the Communist Party. Nor, he told a

posed not long ago by Mr. Primakov to do away with the direct elections of Russia's regional leaders.

But Mr. Yeltsin gave only lukewarm support to Mr. Primakov and dropped strong hints that some kind of cabinet shuffle may be in the works. "At this stage, Yevgeni Primakov is useful to us," he told the meeting of governors. "Later we will see. On the other hand, the cabinet does need reinforcement."

Several prominent members of the

Several prominent members of the Communist Party are ministers in the ports that he had given his Communist allies a pledge that he would resign before agreeing to dismiss any of their

key ministers. Former Prime Minister Viktor Cher-Yeltsin, said in an interview published "I changed three cabinets, and no one reacted so painfully to that."

Sacred and Profaned: Symbols of Tibet

By Souren Melikian

EW YORK - One of the great cultures of Buddhist is being done about it. Just as the world begins to fathom the complexities of the Tibetan past, its heirlooms - or what is 31.7-centimeter (12.5-inch) fragment left of them after the massive Chinese made \$9,200. looting of the 1970s - are being scattered to the winds.

To Western auctioneers and dealers, these are simply goods, marketed with platitudes about Tibetan spirituality.

The process could be observed in full swing at auction in the last week of March and in the selling shows organized by dealers that went on into April. That such objects are the waifs and strays of a cultural catastrophe exceeding even that of Cambodia did not appear to weigh unduly on the minds of either sellers or buyers.

Consider Sotheby's auction of "Indian and Southeast Asian Art" on March 25: "A Tibetan gilt bronze torana ["gate" in Sanskrit] 14th century" is how lot 14 was entered. Indeed, a gateshaped piece could be seen, with

Buddha. The standing Buddha, however, is no more. The jagged edge at Asia is threatened with slow the bottom of a drape that goes down destruction and precious little under the halo tells a tale of destruction wrenched it off from its setting. The

> A "gilt copper repousse mandala fragment" told a similar story. Surreal to the Western eye with its seething pattern and the monsters whose horns link up to form an arch, the 14th-century piece was neatly presented on a steel pedestal. That went for \$14,950.

> There followed a group of pathetic remains. The Tibetan book is one of the most original and beautiful forms of Buddhist art. The long horizontal paper leaves of 13th- and 14th-century manuscripts would be held together between magnificent binding boards, carved on the outside and painted on the inside. Few manuscripts arriving in the West are intact. The monumental boards are sold piecemeal, the text just

In Sotheby's auction, only one set of

Buddhas. On the other, Buddhist figures motifs and formalized foliage. On the inside, the first board is painted in black — someone wielding tongs crudely on red with a striking geometrical repeat It went for \$90,500. wrenched it off from its setting. The pattern around a long black ground panel With bitter irony ternately red and gold. These were breezily dismissed as "invocational

style of poetic invocations." Some major work associating metaphysics and poetry may have been lost here. The remains brought \$20,450. A series of single boards of the 14th or

15th century that came after gave some idea of the astounding richness and diversity of this art form. One wonderful panel with abstract scrolls springing out of a vase with three minute Buddha figures lodged above the vase and two equally tiny stupas (symbolical mausoleums erected over relics of the Buddha) cost \$11,500.

Attention then switched to a host of bronze figures of the Buddha in his many aspects, and of bodhisattvas. A remarkable if small seated Buddha,

dragon-like creatures flanking the halo at the top that signified, not too long ago, the light radiating from the head of the Sotheby's gave a late 11th- to early appear in the midst of smaller scrolling 12th-century date to this hitherto unrecorded object of devotion, presumably taken away from some monastery.

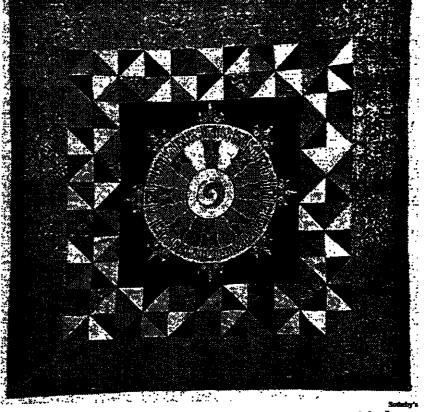
With bitter irony, a climax was enclosing seven lines of calligraphy, al- reached with two bronzes in the socalled Sino-Tibetan style, developed in the Beijing imperial workshops in the verses for good fortune written in the early 15th century. The impetus was given by the Ming emperor Cheng Zu, during the Yongle period (1403-1424). Attracted to the Lamaist path, the emperor called in masters and artists from all over Tibet. A huge seated Buddha with the Xuande mark (1426-1435), rare on Sino-Tibetan bronzes, set a world record for its style at \$607,500.

> HIS was immediately beaten by a second Sino-Tibetan bronze, 80 centimeters high. The bullheaded multi-armed Yamantaka embracing its female consort was already in the West by November 1901, when it was seen at auction in Paris. Bidders perhaps felt that this guaranteed it from the opprobrium that might affect one day the possession of the plundered goods of Tibet. Yamantaka accordingly rrumphed, to the tune of \$745,000.

> Somehow, the selling show put to-gether by Anna Maria Rossi of London and her son Fabio in Sotheby's art gallery at 41 East 57th St. as a joint venture with the auction house had a more poignant touch. Was it the single focus on Tibet with its unfortunate title, "Sacred Symbols: The Ritual Art of Tibet" sacred had been desecrated?

> Several symbols were made ritually meaningless by being bereft of some essential component. The two objects that opened the show made up a scathing parable. The two gilt copper deer, male and female, once stood on either side of the Wheel of the Law, symbolizing the meek adherence of Creation to the Buddha's teaching. But there is no Wheel of the Law. The two animals pay tribute to nothingness. There, the loss occurred long ago.

Fabio Rossi says the deer came from a European family that must have held have found the them since the 1920s, judging from the his standards.



Cloth combining embroidery and patchwork with the Wheel of the Law.

stands they had. This may have legit-imized their acquisition in the eyes of the director of the Nice "Asian Arts Museum" who flew in to see them before the opening and concluded the \$250,000

deal within days.

More often, alas, the relics gave the impression of having only just left the shrine. No wonder several were unique, superbly preserved thanks to the care of the faithful. An extraordinary piece provided evidence of the early interest of the Tibetans in their past. A long motley green jade blade of a type known from recent excavations in the Yarlung valley to date from about the second century B.C. had been mounted in the 15th century on a beautiful gilt copper stand. It went to a Northern Californian collector.

A throne silk cloth combining embroidery and patchwork with the Wheel of the Law enclosed in a black square in the center is the only complete example of this type known so far. This will

Other works spoke of more than just the shunting off of ritual objects from their destination.

Two gilt copper repousse finials in the form of snarling dragons, their tails run ning away into wild scrolls of extraordinary virtuosity were candidly characterized in the catalogue as elements "from a large throne back that would have framed a massive sculpture of a deity." The fragments, still admirable, make one marvel about the vanished masterpiece of 13th-century bronze sculpture. A New Yorker carried away the \$55,000 trophy.

A group of fascinating ritual implements of the 14th and 15th century made of iron, inlaid or overlaid with silver and gold, revealed a quasi-unknown aspect of Tibetan art. Removed from the context where documents might have yielded precise datings, they are mute witnesses to a splendor that has been savaged and a religious life that has been, adorn the residence of a New York made a mockery of, its spoils sold off in collector of contemporary art who must distant lands like baubles to children have found the \$45,000 price tag low by unaware of what they play with. The sale continues in London.

Art and Courage in a Maelstrom of Adversity

By Michael Kimmelman New York Times Service

shipped out as a been to Antarctica aiready. Three years earlier he had endurance we conquer." gone with his compatriot he made about Mawson's trip was one of the things that got Shackleton interested in having his own trip filmed and with artifacts and some in-

cover part of his cost. Hurley ted Saturday at the American The Endurance sailed from was an egotist, a roughneck Museum of Natural History. If England to Buenos Aires,

not easy to get along with. But be was talented and fearless.

Two Tibetan gilt copper deer, male and female, which once stood on either side of a Wheel of the Law.

on Aug. 8, 1914, a week after after his family motto, "By

Shackleton's journey, one through more than 150 of Hurphotographed. genious video displays in a Shackleton figured that selling rights to Hurley's pictures of the expedition would genious video displays in a show called "The Endurance: Shackleton's Legendary Antarctic Expedition," that star-

less remarkable that so many Frank Hurley was So Shackleton set off with a never been exhibited before 28 in 1914 when he crew of 27, including Hurley, are first-class works of art. So Shackleton set off with a never been exhibited before, early December 1914. Con-

photographer on Sir Ernest World War I began, in a 300- most extreme circumstances quickly surrounded the boat. Shackleton's expedition to ton Norwegian barkentine that bring out the best in a person, By mid-January, the Endurmost extreme circumstances quickly surrounded the boat. cross Antarctica. Hurley had he had renamed Endurance, and this was clearly the case ance had struggled to within er again be as good a photographer as he was on Shack- clockwise by the ice, away Douglas Mawson, the Aus- of the great epics of global leton's trip. But then he never from land, north.

> like what they went through ley's color and black-and-white photographs as well as the absurd idea of crossing the whole continent by foot, about 1,600 miles (2,560 ki-lometers) from the Weddell Sea to the Ross Sea, simply because it had not been done.

who had come up in the world it is unbelievable that Hurley's then to South Georgia Island, through hard work, and he was pictures survive at all, it is no the last inhabited post, east of pictures survive at all, it is no the last inhabited post, east of Shackleton and his men the Falklands, before entering of them, many of which have the uncharted Weddell Sea in ditions were unusually bad Sometimes the wildest and that year, and heavy pack ice with Hurley, who would nev- 80 miles of Antarctica, but it of their problems. was being inexorably drawn

> boat was trapped in the floes, helplessly drifting in the sea and slowly being crushed by millions of tons of pressure. On Oct. 27, 1915, the Endurance finally began to sink. The crew had to abandon ship and camp on the ice. They took what provisions they could. At first Hurley had to leave his film and bulky glass plates behind, but then he convinced Shackleton that they should be saved, if possible, so he dived into the icy water that now filled the ship's darkroom. He retrieved more than 500 plates but ultimately destroyed most be-cause they were simply too As attractive as the latter

heavy to take along. Who

knows what was lost.

ARTS

fought to stay afloat in horrendous weather on unpredictable melting ice. They lived on rations, seals and penguins, which they killed when the animals climbed onto the floe, and on their own sled dogs. But food was almost the least On April 9, 1916, the ice

tents, almost killing a man, scrambled into their small boats and stribby-masted fought through heavy winds Endurance casting shadows for a week to miraculously reach Elephant Island, a speck that organize and give depth to in the sea, far from civiliza- an essentially impossible tion, the first dry land they had white-on-white vista by procome to in 497 days.
But Shackleton had to find

help. He set sail again, this time with a few men, to try to color photographs of the ship get back to South Georgia Is-marooned in ice. land, skirting the Drake Passage, the worst stretch of ocean anywhere. No one had ever done anything vaguely like this. Since Shackleton, no one else has.

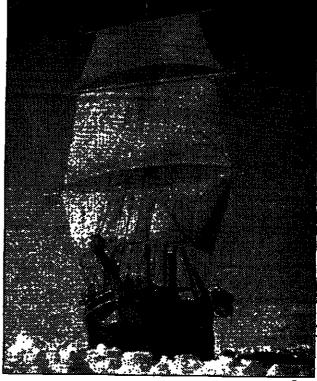
For five months more returned to Elephant Island and saved their colleagues. Hurley's photographs tell only part of the story, al-though he did take some pictures on Elephant Island with

a vest-pocket camera he had salvaged. Mostly he recorded the experience of the Endurance and life on the floes. He set up dozens of cumbersome lights in the dark to suddenly gave way under their get stunning nighttime shots of the ship's rigging, like blackness. He climbed to the

> on the icy sea, amazing images jecting the linear geometry of the ship's mast against it. And he took beautiful, melancholic

crow's-nest for pictures of the

Caroline Alexander, who put the exhibition together and wrote the accompanying book, describes the pictures Hurley took later in his career as bland color postcard snaps.



Hurley's photo of Endurance in the Antarctic.

ation to melodrama. He made popular film of the Shackleton decent portraits but did not expedition, which has recently photograph images of indi-

been restored and released on Essentially, after a thousand hardships, Shackleton and his men made it to South Georgia Island, found help, subject tempered his inclination in the photographs here have a vidual suffering or despair.

After the expedition, Hurst of his life photographing in the South Pacific, and died at Ypres, Belgium. He made a in 1962, at 76. idual suffering or despair.

After the expedition, Hurrest of his life photographing

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THE FUNNIES

By J. Robert Lennon. 301 pages. \$23.95. Riverhead. Reviewed by Jay A. Fernandez ARLMIX is dead. He was

the nationally syndicated cartoonist of America's favorite family comic strip, "The Family Funnies," in which he was a benevolent patriarch with a doting if exasperated wife and five adorably quirky children. His artful drawings depicted his brood's daily misunderstandings with wit and inoffensive humor appropriate for any family newspaper, making him the one and only mini-celebrity of Riverbank,

New Jersey.

Carl's sudden death of a heart attack at the start of "The Funnies," a warm-hearted but indistinct second novel from J. Robert Lennon. causes his now-grown children to reconvene in their hometown for the funeral. This sad reunion and its aftermath provide the reader, as well as the townsfolk of River- only to shout at his wife or to bank, with a detailed look at the inspirations for Carl's sunny imaginary companions. Not since the mask was ripped off genial sports commentator Mary Albert has there been such a shocking disparity between reality and fiction:

is rotting in a nursing home,

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takes the crematorium for a movie theater. Rose (Lindy) left home for college and nev-er went back. She openly hates every member of her family without exception. Bobby, a scowling, red-faced man with an automaton wife and numb daughter, is so tightly wound he could drill to the center of the Earth. Tim (Timmy), the narrator of the story, got as far as Philadelphia and wastes his time creating bad installation art and forgetting he has a family. Pierce has never gotten over his inexplicable omission from the strip. Usually medicated, he suffers from paranoid delusions that his parents wish to kill him. Bifty, the youngest, somehow survived her childhood without being tainted like the rest. And Carl Mix. though not physically abusive, absented himself, along with his booze, to his backyard studio to create an innocuous version of his maladjusted family rather than deal with it directly, emerging appear at Funny Fest, Riverbank's annual "Family Funnies"-derived fair, as an ec-

centric but genial local hero. The small-scale dramedy that unfolds after the funeral is sparked by the reading of Pop Mix's will. In it, the chil-Mom Mix (Dot in the strip) dren and his wife are left his material and liquid assets. her accelerating semility a re- All, that is, except Tim. In a devious act of manipulation from beyond the grave, Carl has left his failed artist son only this challenge: He has three months in which to learn to draw "The Family Funnies," in which case he will little panels. inherit a financial gold mine of syndication and merchan-

Tim, the choice is simple. Sell out his fraving artistic integrity or stay poor and unac-complished his entire life.

option seems, Tim, of course, decides to take the challenge. And the rest of the novel is a competent, mildly humorous story of a young man, aiready nearly defeated at age 30, re-evaluating his mediocre life and trying to rediscover a place in his family. The family itself is a sour bunch, but the various members are rendered with enough individualism and lack of cliché to make them recognizable and worthy of the reader's interest.

Besides, it's hard not to sympathize with a group that dissipated angrily after having grown up as anything but the perfect family. As Tim allows, "If there was one thing all my siblings agreed on when we were children, it was that low expectations were always appropriate, in any situation.'

Along the way Tim's

memories conveniently sur-

face to shed light on his ingrained childhood neuroses, but they never come together in a full, connected portrait of a family. Lennon's first book. 'The Light of Falling Stars,' a fractured, episodic novel of the scattered people affected by a plane crash, seemed more cohesive. Just the same, Tim's struggle with self-doubt and his dawning awareness of a whole larger than himself may be a worthy topic if only for its universality. After all, unlike in the comics world, few of the problems in any family's life can be resolved in three

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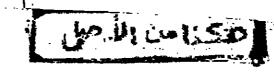
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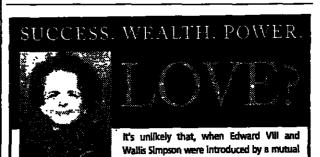
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In Hong Kong, a Real Estate Paradox

The rich profile of Hong Kong real estate is dominated by the Bank of China building, center.

High Prices Bolster Financial Institutions but Smother Enterprise

By Sandra Sugawara

HONG KONG --- Scipio Ki, a real

news indeed for real estate agents, stockbrokers and bankers. But not such Hong Kong.

Kong General Chamber of Commerce. To keep the domestic economy healthy, you have to have a sound property market." But if property costs rise, prices for a whole range of goods

and services here soar. will not enjoy significant growth, even when the region recovers." said Andy Xie, a Hong Kong-based economist for Morgan Stanley Dean Witter & Co. He

While many economies in Asia are Many of the major companies traded expected to begin growing this year, on the Hong Kong Stock Exchange are economy could continue to shrink.

news indeed for real estate agents, stockbrokers and bankers. But not such ing the Hong Kong dollar. Hong Kong good news, perhaps, for the future of fought off speculators — but at a cost. The government pushed interest rates "This is the basic contradiction in way up, a fatal blow to many struggling the Hong Kong economy; said Ian companies and to the property market.

Perkin, chief economist with the Hong Unemployment rose, consumers and Unemployment rose, consumers and businesses cut back on spending and the economy contracted.

Meanwhile, the currency devaluations in South Korea and Thailand meant that their exports became much cheaper on world markets, helping fuel Hong Kong's high costs mean "it a rebound. But Hong Kong's stable currency kept its export prices from falling to competitive levels.

Hong Kong's biggest problem, economists agree, is its property marwarned that Hong Kong could be ket Real estate sales, development and headed for Japanese-style economic related activities account for about 40 ercent of Hong Kong's economy. economists warn that Hong Kong's property developers. The upper and economy could continue to shrink. The economy is built on three major tied up in property. The government,

pillars: a stable currency, property and business with China. All three now have major problems.

For years, Hong Kong has lured for-

estate agent, is feeling better these eign companies here by promising to property prices bolstered the stock mardays. Hong Kong property prices have maintain an exchange rate of 7.8 Hong ket and the general economy. But those stopped dropping. Three-bedroom Kong dollars to the U.S. dollar, elim-steep gains also meant that companies condominiums are again going for inating foreign currency risk. But after more than \$1 million.

"It's encouraging," he said. Good countries to devalue their currencies in and consulting fees. Hong Kong lost its image as a shopper's paradise, hurting tourism. High property prices made it hard for retailers to make a profit, said Keith Cahoon, Far East managing director of Tower Records, which has two stores in Hong Kong.

Hong Kong's recent economic woes have sent property prices falling by more than 50 percent, but that leaves them still too high for Hong Kong to be competitive, economists say. Housing prices are still so high that half the population lives in public housing. "I think you'd be hard pressed to

find any other economy where the gross domestic product per capita was about \$25,000 — which is high by world standards — where half the population is unable to afford their own honsing," said William Kaye, senior managing director of Pacific Group Ltd., a Hong Kong-based investment

mpany. Meanwhile, Hong Kong's third ma-

See HONG KONG, Page 15

Murdoch Soccer Bid Is Blocked in Britain

Offer for Manchester Called Anti-Competitive

LONDON — The British government has blocked a £623 million (\$1 billion) bid by Rupert Murdoch's Brit-ish Sky Broadcasting Group PLC to take over Manchester United, one of the world's most renowned and wealthy

Trade and Industry Secretary Stephen Byers announced the move on Friday, acting on a report by the Monopolies and Mergers Commission.

"The MMC's findings are based mainly on competition grounds where they concluded that the merger would adversely affect competition between broadcasters," Mr. Byers said. "But they also examined wider public interest issues concluding that the merger would damage the quality of British football. I accept these findings.

The bid, which was made in October, was accepted by the club's board but was referred to the commission amid opposition from lawmakers and Manchester United fans.

BSkyB has exclusive rights to cover Premier League games live, and Friday's decision is a major blow to Mr. Murdoch's attempt to become an even bigger influence in the game.

Andy Walsh, chairman of the Manchester United Independent Sup-porters Association, was jubilant about the decision. "It is a tremendous victory for supporters of Manchester United and for all football club fans," he said.

Manchester United released a statement saying, "Although disappointed by this decision, the board is confident that Manchester United will maintain its record of success and secure its ob-

jectives of achieving consistently out-standing playing and business perfor-

Mr. Byers said that the merger would have brought together the lead-ing pay TV broadcaster and only sig-nificant provider of sports premium channels on the one hand and the biggest and most successful English football club on the other. Under almost all scenarios considered by the MMC, the merger would increase the market power which BSkyB already has as a

provider of sports premium channels. Last fall, BSkyB agreed to pay 0.2537 new BSkyB shares and 120 pence in cash

for each United share. Many analysts had expected the takeover to win clearance. "It is surprising," said Mathew Horsman, an analyst at Investec Henderson Crosthwaite. "Having said that, the negative noises were growing in the last few weeks, and the share price already reflected the uncertainty in the City as to whether it would go through."

Passions ran high over the Murdoch factor, however, with critics angry that the media magnate, who owns four British newspapers, could gain control of one of the Britain's favorite soccer teams. Mr. Murdoch's involvement also complicated matters for the government, which enjoyed important support from Mr. Murdoch's Sun newspaper in the 1997 election campaign.

At the close Friday, BSkyB shares were down 1 penny at £5.41, while Manchester United shares fell 32.5

Mr. Byers noted the arguments put



Stephen Byers pleased soccer fans by saying no to Rupert Murdoch.

BSkyB and Manchester United that a number of other possible mergers involving Premier League clubs would not qualify for investigation under the Fair Trading Act and could therefore go ahead without any scrutiny by the competition authorities.

"Their task was to consider the BSkyB/Manchester United merger, and their adverse findings relate solely to that merger," he said of the commission. "Nevertheless their report raises a general issue about the scope for the competition authorities to examine mergers involving football clubs."

Separately on Friday, NTL Inc.'s pro-posed acquisition of Newcastle United PLC, owner of another Premier League club, was referred to Mr. Byers's office. NTL, the third-largest cable company in Britain, made an offer in December worth 111 pence a share for Newcastle United. Mr. Byers is to make a final decision on the bid after he receives an antitrust report on the case in July, the trade and industry department said.

(AP, Bloomberg, Reuters)

China Deal **Tantalizing** To Business

Beijing Pledges Hailed But None Take Effect

By Paul Blustein

WASHINGTON — For U.S. companies that have long craved better access to China's vast market, the results of the U.S.-China summit meeting showed that the goal is so near - and yet so far.

Business leaders were enthusiastic about the "significant progress" that President Bill Clinton and Prime Minister Zhu Rongji announced Thursday toward an agreement paving the way for China's entry into the World Trade Or-

Many from the business and agri-culture communities marveled over the 17-page document listing Beijing's pledges to lower barriers to foreign goods, which included sharp tariff cuts, an end to Chinese bans on many U.S. farm products, and promises to allow most foreign exporters to establish their own distribution networks in China.

"The administration got more pos-itive results than we had anticipated to date, and I think this sets the stage for success," said Michael Maibach, Intel Corp.'s Washington representative.

But the failure of the meeting to produce an accord on China's WTO entry, after days of marathon negotiations, was a source of major disappointment — and, some industry lobbyists fretted, a harbinger of the difficulties facing pro-ponents of Beijing's membership in the Geneva-based trade body.

"All through this document, there are extraordinary triumphs for American negotiating skill, and extraordinary opportunities for American companies. American workers and American farmers," said Robert Kapp, president of the U.S.-China Business Council, which Kookmin, unlike its rivals, has rel- represents major U.S. multinational

companies. "The problem is, none of this takes effect yet," Mr. Kapp continued. "None of this is a deal. The birthday cake has been baked, the candles are lit, but the birthday kid isn't here to blow out the candles. Until and unless the United States concludes a WTO agreement with China, virtually everything in this cor-nucopia of benefits for the United States will remain unrealized."

Privately, some industry sources bitterly agreed with Mr. Zhu that the Clinton administration had stopped short of completing a deal because of White House fears about the hostile attitude toward China prevailing in Congress and among much of the public.

demands to allow greater access for for-

eign banks, auto insurers and purveyors

"The White House lost its nerve," said one well-connected Washington lobbyist, who described the Chinese concessions as "a huge deal" and the differences between the two sides as The head of a powerful industry group agreed: "This shows lack of political

fortitude. The administration believes the political environment was turning sour, and they don't have the courage of their own convictions." Administration officials strenuously denied such assertions, saying they would have accepted a deal if the Chinese had been willing to meet U.S.

"This is an explosive problem,"

Microsoft's president, Steven Ballmer, said the company would be

adding more features to appeal to home users of Windows systems.

Fork in Microsoft's Road

Booming Home Use of PCs Surprises Giant

By John Markoff New York Times Service

SAN FRANCISCO — Microsoft Friday Harbor, Washington. orp.'s decision to split its Windows "The consumer market will be the Corp.'s decision to split its Windows operating system into home and business products reflects profound changes in the personal-computer market that have surprised the software giant and its partner, Intel Corp.

Almost overnight, the PC market has moved from a business defined by office products to one that is increasingly delineated by prices and features for home users.

Steven Ballmer, Microsoft's president, announced Wednesday that the company was abandoning plans to 2000 operating system for home computers as well as more powerful corporate ma-

based on Windows 98, scheduled to ship this fall, to fix flaws and add some consumer-oriented features. Then the company, based in Redmond. Washington, plans to release in

2000 a new version with further consumer-friendly features, such as "in-Mr. Ballmer, speaking at a Los

Angeles hardware developers' conference, said the changes arose from the input of PC makers and software developers who said that a combined Windows 2000 would not be appropriate for home users, who increasingly are focused on entertainment and not office applications. Industry analysts said Microsoft

may be at a crossroads as significant as tions the one it faced in 1995, when it abruptly embraced the Internet. By abandoning its strategy to use a single operating system for all desktop machines, Microsoft will leave itself vulnerable to competition — just as Intel is being attacked successfully at the low end of the chip market by such companies as Advanced Micro Devices Inc. and Cyrix Corp., a di- beginning.' vision of National Semiconductor

serve increasingly as Internet com- and use.

said Mark Anderson, president of Technology Alliance Partners, a re-search and consulting firm based in

largest market in the world for op-erating systems," he said, and Microsoft does not have a product.

Mr. Ballmer's announcement of the company's shift included an acknowledgment its work to clean up the increasingly complex design of personal computers had not gone far enough. Microsoft's president said the sim-plification drive, made with Intel, would remain a multiyear effort.

Mr. Anderson said that while Intel's failure to respond quickly to the threat design its long-delayed Windows at the low end of the chip market had been a billion-dollar mistake, Microsoft might not pay such ANALYSIS a price if it responded promptly because there were Instead, it plans to release a version not yet viable competitors in the

home-user market. The Linux operating system remains at least a year away from having a meaningful number of consumer applications. The Be operating system, developed by Be Inc., of Menio Park, California, has not taken off. And although Apple Computer Inc. has regained some market share and been revitalized since the return of its co-founder, Steven Jobs, it still remains at

a price disadvantage. Still, the low end of the PC market is likely to become more volatile, because Windows 98 is increasingly the wrong operating system for users oriented toward entertainment and away from office "productivity" applica-

"This is just the tip of the iceberg," said Jeffrey Tarter, the editor of Softletter, an industry newsletter based in Watertown, Massachusetts. "The real problem is the more you look at the innards of Windows, the more complicated and more flaky it gets. I don't see any way that they can fix the mess they created without going back to the

That appears to be what Microsoft is doing in announcing a new op-Moreover, consumer-electronics erating system for home users. The companies, such as Sony Corp., are company said the system would in-investing in software and operating clude advances in digital media hansystems and refining such products as dling, home networking, Internet the Playstation line so that they will technologies and easier installation

See MICROSOFT, Page 12

SEOUL - A Goldman, Sachs & Co.

investment fund plans to pay \$500 million to buy about one-fifth of Kookmin Bank, South Korea's largest retail bank, according to a person familiar with the Under the agreement, details of which

are likely to be announced next week, the Goldman fund would buy \$300 million of new Kookmin shares and \$200 million of new convertible bonds that

rea's total lending business.

Bringing Goldman's expertise into such a fundamentally strong Korean

to help one of Korea's strongest commercial banks, now 8.2 percent owned by the government, fend off rivals. Kookmin has a market value of 3.9 trillion won, or about \$3.2 billion. HSBC Holdings PLC recently agreed

Goldman Fund Near Korea Bank Deal

to buy a 70 percent stake in SeoulBank, an ailing state-run commercial bank, while a group led by Newbridge Capital

anonymity.

The Goldman fund would become the bank's single largest and controlling shareholder, holding slightly less than 20 percent of the bank, the source said. Kookmin handles about a fifth of Kookmin shares jumped to a 52-week high of 16,400 won (\$13.41) Friday, accounting for more than a fifth of the gain in the benchmark index. It was the most active stock by value.

in London trading, Kookmin's global depositary receipts, or GDRs, have risen 23 percent in the past two days and were at \$13.51, up \$1.24, in late trading. They

ager at IMM Investment Fund in Seoul. time that the GDR premium was higher The pact would provide fresh capital than the local shares since March 16. The Goldman sale could help strengthen South Korea's battered banking system, which avoided collapse in late 1997 only with the help of a nearly

\$60 billion international bailout. As bad debt snowballed, five commercial banks were shut and nine others are being merged. A record 22,000 companies folded last year amid the nation's worst recession since the 1950-1953 Korean war.

atively small exposure to the nation's biggest business groups, or chaebol, whose borrowing spree helped lead to the near-collapse of the financial system. Chaebol lending accounts for about 17

Non-performing loans, or loans for which interest has not been paid for three such a fundamentally strong Korean states are trading at a 1:1 percent premium to the months or more, accounted for 5.94 perbank will greatly improve its potential."

Korean shares. On Thursday the premimonths or more, accounted for 5.94 persaid Hwang Sung Taek, a money manum was as high as 4.8 percent, the first end of last year.

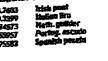
CURRENCY RATES

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Very briefly:

• The United States set 100 percent duties on imports of handbags, batteries and other European Union products, three days after the World Trade Organization ruled that the EU had restricted banana sales by U.S. companies unfairly. • Genentech Inc. has decided not to file for U.S. approval of a nerve drug it is developing with Roche Holding AG because the drug did not work well in promoting nerve growth.

• AMR Corp.'s American Airlines, the No. 2 U.S. airline, said it had reached agreement with its flight attendants on the integration of the low-fare carrier Reno Air Inc. American acquired Reno Air in November and has faced opposition from its unions over melding the carriers' work forces.

· B.F. Goodrich Co. and Coltec Industries Inc. shareholders overwhelmingly approved the companies' \$2 billion consolidation, a deal that strengthens B.F. Goodrich's growing aerospace business.

U.S. Issues Trade-Sanctions List

The Associated Press

WASHINGTON — The United States issued a final target list Friday that will impose punitive tariffs on \$191.4 million of European imports ranging from French handbags to German coffee-makers in a nasty trade war involving bananas. In addition to handbags, coffee-makers and teapors, other items to structural factors and in- on cheaper credit alone. And targeted for 100 percent tariffs include bed linens, lead-acid storage batteries, lithographs, cardboard packing material and

The final list excluded a number of products that had been on the original target list. Items left off included Italian pecorino cheese, Scottish cashmere sweaters and British sweet biscuits.

World Trade Organization arbitrators ruled this week that the United States was entitled to impose \$191.4 million in sanctions, not the \$520 million it had originally claimed.

U. S. STOCK MARKET DIARY

Nasdaq

AMEX

20 Bands 10 Utlities 10 Industrial

NYSE

AMEX

Dividends

Trading Activity

Friday, April 9
Most Actives

AMEX

Nasdac

Market Sales

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STOCK SPLIT

INITIAL

U.S. Stock Tables Explained

Theglobe com 2 for 1 split.

dend. c - liavidating dividend. cc - PE exceeds 99.

Melissa: Catchy, but Graffiti Art?

New York Times Service

FREEHOLD, New Jersey -The lawyer for the man accused of creating the fastest-spreading computer virus in history has suggested that whoever wrote the virus should be considered a graffiti artist rather than "an international cyberterrorist."

David Smith, 30, a computer programmer, was arrested a week ago after a global search and charged with writing and sending out the Melissa virus, which has infected more than 100.000 computers worldwide.

His lawyer, Edward Borden, said Thursday that Mr. Smith would most likely plead not guilty if indicted by a state grand jury. The programmer, who lives in New Jersey, will not have to enter a plea on the five counts he faces until his arraignment.

Mr. Borden said Mr. Smith, who remains free on \$100,000 bail, had been wrongfully vilified by the state.

Prosecutors contend that Mr. Smith named the virus after a topless dancer he had apparently met in Florida. He is charged with three counts relating to interruption of public communication, theft of computer services and wrongful access to computer systems. The charges carry a maximum penalty of 40 years in prison.

Bloomberg News
NEW YORK — Stock prices were mixed Friday as investors fretted that the surge to records had lifted many shares to a level higher than that justified by the outlook for corporate profits.

"The market has rallied 9 percent since early March, and that was too far, too fast," said Courtney Smith, chief investment officer for Orbitex Management.

Software companies such as Oracle gained on speculation that preparations for the year 2000 would not hurt sales as much as first was thought. Stock splits, plans for on-line businesses and takeover talk lifted Internet stocks, including Theglobe.com, International Assets Holding and e,spire Communications.

But Union Carbide led the Dow Jones industrial average lower as investors dismissed buyout speculation that lifted the stock Thursday.

The Dow declined 23.86 points from its record level Thursday, falling to 10.173.84, while the broader Standard & Poor's 500 index registered a marginal gain of 4.37 points to 1,348.35. But the

19.67 to 2,593.06

Advancers outpaced decliners on the New

U.S. STOCKS

Nasdaq composite gained 4.0 percent — their best performance since the week ended Jan. 29. The Russell 2000 index of small stocks rose 1.8

In the latest sign that inflation poses no threat to the nine-year expansion of the economy, the Labor Department reported unexpectedly low increases in producer prices.

Prices paid to factories, farmers, and other producers rose 0.2 percent last month. The core rate, excluding the volatile food and energy components, was unchanged. Economists had forecast a 0.3 percent gain for the overall price index and a 0.1 percent increase for the core rate.

Leading Internet stocks higher was Thetechnology-heavy Nasdaq composite index rose globe.com, which surged 19 15/16 to 78 15/16 percent from 5.44 percent.

Stocks Are Mixed as Blue Chips Take a Breather

Bloomberg News up free home pages, said it planned to split its stock 2 for 1 on May 14 for shareholders of record York Stock Exchange by about a 4-to-3 ratio.

For the week, the Dow industrials gained 3.5

Stock 2 for 1 on May 14 for shareholders of record May 3. International Assets rose 6 9/16 to 125/16

May 3. International Assets rose 6 9/16 to 125/16 percent. The S&P 500 rose 4.2 percent and the

it was forming an on-line brokerage unit.
Union Carbide fell 2½ to 48%, contributing most to the Dow average's decline, after surging 12 percent Thursday on speculation that the

company would be taken over soon. Oracle gained 2 9/16 to 25 7/8, leading software issues higher, as investors speculated that company spending to resolve year 2000 issues would not hurt sales of new software as much as first thought. Oracle had dropped 35 percent in

the last two months. Separately, crude oil rose almost 5 percent, its biggest gain in a month, after the International Energy Agency said production fell short of demand for the first time in more than two years,

easing a worldwide glut.

The benchmark 30-year Treasury bond fell 6/32 to 96 30/32 nudging the yield up to 5.46

Dollar Falls as Rate Cut Lifts Euro Optimism

NEW YORK - The dollar fell against the euro Friday after a bigger-than-expected interestrate cut by the European Central Bank on Thursday fueled optimism for stronger growth in the

"It gives people hope." said Andy Busch, senior currency trader at Bank of Montreal in return on euro deposits, could stoke demand for \$1.10 this quarter. "The ECB has finally acted after months of dragging its feet."

In 4 P.M. trading, the euro rose to \$1.0795 from \$1.0743 Thursday. The dollar's loss against the euro helped drive the U.S. currency down to a bid to ignite a recovery in the 11-nation euro

INTERNATIONAL FUTURES

FOREIGN EXCHANGE

Chicago, who sees the rate cut taking the euro to stocks and bonds in the region and for the currency needed to buy them.

The ECB cut its benchmark rate for the first time since it took control of monetary policy on Jan. 1, lowering it a half-point, to 2.50 percent, in

The dollar fell for a second day against the pound in the wake of Britain's own interest-rate inflation report Friday suggested that prices are

cut on Thursday. The pound was at \$1.6083, up from \$1.6055. The dollar fell against the Swiss franc to 1.4835 francs from 1.4850.

Lower European rates, while reducing the Traders said the report made it less likely that the U.S. Federal Reserve would raise interest rates, especially after the surprise half-point re-

duction by the European Central Bank. "U.S. rates are on hold and the rest of the world is reducing," said Murray Gunn, the manager of foreign exchange risk at Standard Life

Investments in Edinburgh.

With rates steady in the United States and unlikely to be cut further in Europe, the rate

advantage between three-month deposits in dollars and euros - now more than 2.3 percentage points - has probably peaked, analysts said. (Bloomberg, AFP)

RATES: Long-Awaited ECB Cut May Prove to Be Only a Placebo for Europe's Economic Difficulties

Continued from Page 1

some European governments to make the politically unpopular decisions to overhaul welfare, tax and labor regimes in some of the major euro nations.

goods," Wim Duisenberg, the ECB president, said Thursday in presenting the interest-rate decisions.

In unequivocal terms, Mr.

their economies to the era of globalization. The rate cut, Mr. Duisenberg said, deprives politicians of the excuse of blaming the ECB for high unemployment.

o nations. Economists such as Mr.
The unacceptably high Schulte at IBJ will not raise rate of unemployment is due their growth forecasts based efficiencies in markets for the German Banking Assolabor and markets for ciation cautioned not to ex-goods," Wirn Duisenberg, pect an economic revival from the ECB action.

Nor will lower rates significantly dent the double-digit unemployment rate in the Duisenberg made clear that euro bloc. Eurostat reported to put new pressure on Euro- rency zone's jobless rate re-

pean governments to adapt mained unchanged at 10.5 percent in February, more than twice the U.S. rate.

Germany, the largest European economy. "is stuck in a vicious circle in which excessive payroll taxes cause higher unemployment and a social security deficit, which, in turn, is financed by even higher payroll taxes." said Holger Schmieding, a Merrill Lynch & Co. economist.

To be sure, the rate cut will provide some benefits in Europe, economists said. For one, it will tend to lower the value of European currencies, making the Continent's exthe rate easing was intended Friday that the single-cur- ports more competitive on

SI million-pris of 800 pct.

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BRITISH POUND (CAMER) 62,500 pounds, 5 per pound Jun 97 1,60% 1,600c 1,6082 -0 0042 5ep 97 1,6082 1,607 1,6082 +0 0042 Dac 99 1,6090-0,0042 Est, soits 8,415 Thuys soles 14,281 Thu's open ind 69,618, olf 742

GERMAN MARK (CMER)

"Duisenberg implicitly ated exports. By unleashing put the acceptable euro level lower than we had in mind," Otmar Lang, a senior economist at Deutsche Bank in Frankfurt, told Bloomberg News. "Given that the U.S. economy is strong and the European economy is weak, we need to have a stronger

Nonetheless, the euro was trading Friday at \$1.0795, up from \$1.0743 at the close of trading Thursday in New York.

dollar and weaker euro."

Still, the euro has fallen nearly 10 percent against the growth rate of 3.5 percent dollar since its itroduction Jan. 1, effectively lowering the price on euro-denomin-

High Low Latest Chae Opins

LAGNTH SWISS FRANC (LIFFE)

market forces and bolstering exports, a weaker currency does more to revive an economy than rate cuts do, economists said. More important, the easing

will likely take months to materialize. "The ECB rate cut is positive for Spain," the country's economy secretary, Cristobal Montor, told Reuters. It will allow Spain to reach a target

of credit should be a boon to

business investment and con-

more easily, he said. The ECB move on Friday of the tax system. gave the central bank of Denmark, which is outside the euro zone, justification to lower its benchmark interest rate to 2.9 percent from 3.4 percent. Most of Europe now can enjoy the loosest credit terms in years after the Swiss National Bank and the Bank of England also lowered their

lending rates Thursday. economic growth this year to tries," Mr. Mayer said. 2.2 percent from 2.6 percent, down from 3 percent last back growth," he said. "It is

Germany, France and Italy. which account for roughly two-thirds of the economic activity in the 11 euro countries, have all reported weak and deteriorating industrial confidence, which is one of the ECB's most carefully watched business indicators. sumer spending, though this All three registered sharply weaker growth in the last three months of 1998.

The pre-eminent example of stalled reforms, to many economists, lies in Germany, where two consecutive governments have tried for three years; with little success, to enact a meaningful overhaul

If the brunt of Mr. Duisenberg's exhortations ap-peared directed at Germany, it is because Germany's problems threaten to become Europe's problems, said Thomas Mayer, euro-bloc economist for Goldman. Sachs & Co. in Frankfurt.

"German tax rates become a euroland problem, because The European Commis- if Germany does not make its forecast for the euro bloc's growth in the other coun-"Interest rates do not hold

year, but private economists increasingly think that is too optimistic. Some expect only from this rate cut alone."

MICROSOFT: Fork in Road

Continued from Page 11

Microsoft

were, naturally, skeptical.

"At a risk of being called sexist, ageist and French," man of Be, "if you put multimedia, a leather skirt and lipstick on a grandmother and take her to a nightclub, she's would be working on the

om Page 11 among customers.

"This raised a red flag for competitors me," said Louis Mazzucchelli Jr., an analyst at Gerard Klauer Mattison, a New York investment firm. "Rememsaid Jean Louis Gassee, chair- ber when Apple had more

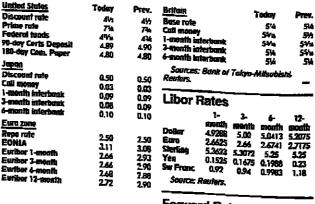
would be working on the still not going to get lucky."

Microsoft also announced plans for its corporate Windows 2000 operating system, raising concerns that by fragmenting its product line the company may sow confusion would be working on the Windows Server Appliance announced Wednesday, Windows 2000, Windows 2000 Professional, Windows 2000 Server, Windows 2000 Advanced Server and Windows 2000 Data Center.

INTEREST RATES Friday, April 9

Government Debt 2.640

3-mant; 4,830 2,740 3,000 2,320 6,090 2,800 2.740 2.550 2.440 0.100 2.770 2.460 2.750 1-**yea:** 4.61 4.39 5-**peer** 4.94 99-04 30-year 5.46 96-30 Money Market Rates United States



Gold Fixings 281.60

Forward Rates 30-day 60-day 1.6019 1.6006 1.4973 1.4979 1.0790 120.99 120.35 1.4771 1.4733

Friday, April 9 ORANGE JUICE (NCTN) High Low Latest Chae Opin? 15.000 lbs - cents per lb.
May 99 92.00 83.10 87.90
Jul 99 84.85 84.10 88.55
Sep 99 90.45 85.75 89.95
Nov 99 91.95 87.25 90.90 CORN (CBO17 5.000 to minmum cents per bushel May 99 218 215½ 2174 + 1\(\text{14}\) 101.278 1\(\text{14}\) 101.278 214 2214 + 1\(\text{10}\) 107.672 5ep 99 224 221½ 2234 + 1\(\text{10}\) 107.672 5ep 99 230½ 238 230½ + 2 25.406 Dec 97 237½ 245\(\text{20}\) 247½ 245\(\text{20}\) 247½ 147½ 1474 May 00 252 267\(\text{20}\) 227 + 1\(\text{11}\) 1.18 Dec 00 259 257 258½ + 1\(\text{11}\) 1.18 Est sales 40.000 Thur sales 42.710 Thurs open ini 1344.721 of 1,840 179 1 - 189 1 480% 489 489 492 494% 504 + 1231,593 7- cents per bushel 265 2654 2754 2764 3 2854 2864 3 301 303 Pres. coss. 1,033,69 44,50 1,145,88 5-21 7-1 4-30 4-15 6-1 4-30 HOGS-Leon (CMER)
40,000 lbs.- cents per b.
Apr 99 42,24 4,75 42,17 July 90 42,28 53,30 54,72 July 90 52,75 53,30 54,75 Aug 90 56,95 55,50 54,72 Oct 97 54 70 53,70 54,77 Est. cases ASY 7 Thus sales 8,732 Thus open int 40,047, up 30 PORK BELLIES (CMER)

Est. sales N.A. Thus sales 2,069 Thus open int 31,032, off 35 Metals
GOLD (NCMX)
100 froy oz. - dollors par froy oz.
Apr 99 27.20 27.00.50 281.50 +0.80 420
Mrdy 99 282.80 282.40 282.40 +0.70 12.844
Aug 99 285.90 285.00 285.40 +0.70 12.844
Aug 99 285.90 285.00 285.40 +0.70 13.453
Dc1 99 287.40 287.30 282.40 +0.70 13.453
Dc2 99 289.80 289.50 289.20 +0.70 15.743
Feb 00 290.40 290.00 290.50 +0.70 10.195
Apr 00 294.10 293.00 294.10 +0.70 10.537 | 155 - Certis pier ib. | 64.20 + 92.20 | 64.55 + 9.10 | 64.55 + 9.10 | 64.50 + 9.10 | 65.25 + 63.64 | 65.35 + 63.64 | 65.35 + 63.64 | 65.35 + 63.64 | 65.35 + 63.64 | 65.36 | 65.70 | 64.90 | 64.35 + 9.15 | 64.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9.15 | 66.35 + 9. COFFEE C (NCSE)
97,500 lbs - cents per lb.
May 99 99,29 95,39 98,95
Jul 99 101,00 97,25 100,45
Sep 99 101,00 100,00 102,80
Dec 99 105,50 102,10 104,45
Mar 00 104,90 102,75 104,25

984.4 494.5 484.5 493.9 494.2 497.0 488.0 495.6 497.8 492.0 497.8 501.0 493.0 499.2 500.2 491.0 500.2 500.2 491.0 500.2 PLATINUM (NAAER)
50 troy oz. dollars per troy o.
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UNLEADED GASOLINE (NMER) JAPANESE YEN (CMER) 12.5 mildon yen, 5 per 700 yer Jun 99 8352 8301 82 Sen 99 8444 8437 84 SWISS FRANC (CMER) 125,000 francs, 5 per franc 3-MONTH STERLING (LIFFE) 2-MONTH EURIBOR (LIFFE)
euro i militari - ph soi 100 pct
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Jun 95 97.306 97.305 97.305 +0.155 210.092
Sep 90 97.305 97.305 97.305 +0.120 272.16.3
Dec 99 97.340 97.155 97.705 +0.110 117.116
Mar 00 97.340 97.155 97.265 +0.090 96.719
Jun 00 97.240 97.170 97.175 +0.090 76.670
Sep 00 97.120 97.075 97.000 +0.075 65.901
Ed soles. 319.831. Prev soles 268.241
Prev 0000 unit 960.773 up 34.015 3-MONTH EURISOR (MATIF) euro I millon - pt: of 100 pci Jun 99 97,380 97,385 97,373 + 0,165 5cp 99 97,400 97,370 37,375 - 0,125 Dec 99 97,200 97,104 97,165 - 0,090 Margo 97,290 97,240 97,240 - 0,090

UNLEADED GASOLINE (NMER)
4,000 904, cmls per gal
Adv 99 51.50 49.70 50.80 +1.24
Jun 99 51.80 50.35 51.50 +1.42
Aug 99 51.80 50.35 51.50 +1.42
Aug 99 51.80 40.35 51.50 +1.42
Aug 99 51.80 50.35 51.50 +1.32
DC 99 47.90 48.70 48.70 +1.27
DC 99 47.90 47.90 40.34 41.17
DC 99 47.90 47.90 40.34 us por serve - 101 of 1,000 barrels 15.15 14.22 14.86 + 0.65 47.951 15.06 14.20 14.87 + 0.60 98.073 15.03 14.22 14.86 + 0.67 35.841 14.90 14.22 14.80 + 0.67 15.971 14.66 14.18 14.75 + 0.54 14.478 14.75 14.11 14.01 + 0.56 35.112 Est sales: 95,000 . Prev. sales : 83,747 Prev. open int.: 310,053 up 2,256 SP COMP INDEX (CMER) FTSE 100 (LIFFE) CAC 40 (MATIF)

Est. sales N.A. Thurs sales 57,049 Thurs open int 292,512, up 466

Est. sales. 333 Open int : 10,551 off 53 Commodity Indexes Lotest 1.146.50 1,324.0 80.14 189.75 1,165,40 1,330,30 79,32 187,52

نه کرامن ولا من

Takeover Artist Frere in Business for 45 Years

By Gregory Viscusi
Blaomberg News

PARIS — The frenzy of mergers in Europe has produced a new cadre of U.S.-style takeover artists, but none so far can match the staying power of Albert Frere. The 73-year-old Belgian industrialist has been flipping compa- bankers. nies for 45 years.

Mr. Frere and his partners are poised to reap a profit of at least \$1.5 billion in July, when he completes the ergy giant Total SA

In the past 18 months, he has sold off his banking and insurance interests. Some associates say he is also television broadcaster.

But do not be misled by the divestitures. Mr. Frere's associates say

he is as acquisitive as ever. winding down but that's just not the

building materials manufacturer controlled by Mr. Frere, paid \$1.2 billion for English China Clays PLC, making the company the world's largest pro-

ducer of paper-whitening pigments.

After the Petrofina sale, Mr. Frere will still hold sway over four major companies, with stakes worth \$9 bil-

Merger and acquisition activity is

billion in the first quarter, up from \$113

billion in the same period a year earlier.
What sets Mr. Frere apart from other takeover specialists, aside from his longevity, is his opportunistic approach to buying, his use of multiple holding companies, and his penchant for doing deals without consulting investment

Even though his personal net worth probably does not amount to much more than \$1 billion, Mr. Freze plays a domsale of Petrofina SA, Belgium's value of at least \$80 billion. He also has ergy giant Total SA a knack for selling at a premium, as he did with Petrofina, even when the mar-

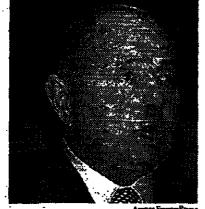
ket seems to have turned against him.
"He is not a Warren Buffett," said the chairman of Imetal, Aimery Langloisseeking a buyer for his 50 percent Meurinne, referring to the U.S. billionstake in CLT-Ufa, Europe's largest aire famous for his disciplined investment approach. "Buffett is much more of a thinker, much more analytical. Frere is more impulsive."

Mr. Frere operates from a chatean, "People have this idea that he's built in the style of an 18th-century manwinding down but that's just not the case," said Paul Desmarais, an investor and long-time partner. "He is still building." the partner is a french-speaking part of Belgium. As a still building. In February, Imetal SA, a French-speaking part of Belgium. As a teenager, he did odd jobs at his family's company, which made nails and chains. After World War II, Mr. Frere steered the business towards steel trading, hon-

ing his self-described killer instinct.

"The passion, the desire to win, to make the opponent eat dust, that overshadows all other considerations," Mr. Frere said in "The Son of a Nail Mer-chant," a 1997 biography with which he lion: Total, Imetal, CLT-Ufa, and the cooperated. He rarely gives interviews, Paris-based Suez Lyonnaise des Eanx and agreed only to provide written anvers to questions for this article.

Over the years, Mr. Frere has learned on a tear in Europe. Companies an- to temper his aggressiveness with nounced deals worth a record \$284 charm. He often uses his love of tennis,



Mr. Frere, shown in 1997. "Work is my pleasure," he said recently.

skiing, hunting and fine food and wine to win over adversaries.

It took him just one afternoon in March 1996 at his Belgian beach house in Knokke to create CLT- Ufa.

He did it by merging CLT, a Luxembourg-based broadcaster, with the television operations of Bertelsmann AG, Germany's leading publisher and

media group. CLT-Ufa has yet to turn a profit. It lost 20 million euros (\$22 million) in 1998, largely due to its expansion into pay and digital television.

One Frere associate says the in-dustrialist is fed up with the losses and is looking to sell. Mr. Frere declined to With Rupert Murdoch's News Cor-

poration Ltd., Silvio Berlusconi's Fin-invest SpA. and Leo Kirch's Kirch Group all looking to expand, he should not have trouble finding a buy-What keeps Mr. Frere going? Associates say he seeks more than profit;

the nail merchant's son from Charleroi wants prestige.

Mr. Frere says: "Work is my pleasure, and as long as I'm shipshape I intend to stay at the helm.

Germany Set to Block **Coke Acquisition Plan**

many's cartel office plans to block Coca-Cola Co.'s acqui-sition of the soft drink busi-small, but Coke already conness of Cadbury Schweppes PLC, the business daily Handelsblatt said on Friday.

The \$1.85 billion deal raises "considerable competition concerns" since Coke soft drink market in Germany, the paper said, adding that a cartel office spokesman confirmed the report.

The cartel office wants to

Reuters by blocking the acquisition, FRANKFURT — Ger- Handelsblatt said.

Schweppes's market share trols more than 50 percent of the market for carbonated drinks, excluding mineral water, Handelsblatt said.

Germany would be the first European nation to express already controls half of the opposition to the deal. Competition authorities in Australia and Mexico have also opposed the takeover.

Schweppes brands include Dr Pepper, Canada Dry and protect competitors PepsiCo Crush. Besides cola, Coke also Inc., Brau und Brunnen AG sells Sprite, Fanta, Meyyomis and Nestle Deutschland AG and Kinley in Germany.

FTSE 100 ladex CAC 40 ... 5,124,18 5,068,75 rankfart Copenhagen Stock Market HEX General 6,978.78 6,777.40 Osto 561.72 - 559.84 FTSE 100 Madrid Stock Exchange Paris 1,244.41 1,203.84 +0.8 Zurich 4,682 (8 4,650.64 #0.8

Investor's Europe

London

Dresdner Bank Profit Climbs as Taxes Fall

third-largest bank, said Friday that its net profit jumped 55.4 percent to 1.86 billion Deutsche marks (\$1.03 billion) because of a steep decline in tax payments that off-

set lower pretax earnings. The bank is "clearly on the way" to making acquisitions, Chief Executive Bernhard Walter said. "We have an inexhaustible war chest at our disposal," he told the bank's earnings conference.

Dresdner said that taxes

had declined to 758 million FRANKFURT - Dresd- DM from 1.61 billion DM as a ner Bank AG, Germany's result of special factors and also because of the bank's decision to switch to International Accounting Standards for 1998.

The rise in net profit out-weighed a 6.8 percent fall in pretax profit, to 2.62 billion DM, as the bank struggled with the crisis in emerging markets that forced it to raise net risk provisions.

The stock closed in Frankfurt at 38.10 euros (\$41.22), up 0.40 cents. (Reuters, Bloomherg)

9.35 1.20 15.07 1.80 1.80 1.70 2.04 1.80 1.70 2.04 1.23 11.70

Very briefly:

 Lucent Technologies Inc., the telephone equipment maker. won European Union approval for its planned \$12 billion purchase of the Internet-equipment maker Ascend Com-

 Axa SA, the French insurer, won European Union approval for its Sun Life and Provincial Holdings PLC unit to buy Guardian Royal Exchange PLC for about £3.25 billion (\$5.3 billion).

 Bic SA's first-quarter sales dropped 6 percent, to 273 million euros (\$294 million), as the devaluation of the Brazilian real affected sales of its pens and lighters.

 Bayerische Motoren Werke AG will begin assembling cars at a plant in Kaliningrad, the capital of the Russian Baltic enclave, before the end of the year.

• Thyssen AG, the German steelmaker, won European Union approval to buy the pipe-and-steel distribution and trading business of Mannesmann AG.

WORLD STOCK MARKETS

in euros for EMU countries Amsterdam

Markets Closed

18,00 52,35 19,40 198,00 20,20 9,85 9,50 9,50 9,29 24,54

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The stock markets in Athens, Manila and Tel Aviv

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UNIQUE IN THE WORLD THE FIRST WRISTWATCH OF THE YEAR 2000

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+ 0.56 + 0.09 + 0.40

every Saturday in the IHT.

NASDAO

NYSE Friday's 4 P.M. Close

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12 Month High Low Stock

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ASIA/PACIFIC

Who Will Pick Up the Tab for Indonesia's Bad Debts?

By Philip Bowring Special to the Herald Tribune

JAKARTA - Much of the Indonesian economy may have seen the worst. But the banking sector and, by extension, the government's finances are staring into a black hole whose depth has yet to be fathomed.

There is lot of talk about foreign debts - which can be renegotiated down. But much less about the bigger problem of domestic debt, for which only Indonesians can pay. The question is: Which ones will pay most?

High interest rates and mammoth nonperforming loans mean Indonesian banks are paying out twice as much interest as they are receiving. Specialists who are critical suggest that the recapitalization measures being applied by the govern-ment with the blessing of the International Monetary Fund are inadequate, have not stanched the red ink and will leave larger problems in their wake. They could leave the government with a domestic debt overhang so large that it will eventually invite radical write-down measures or deliberate high inflation to collapse its real value.

Even under the best of circumstances, it will be many off and passed to the asset management unit of the Indonesian norths before the banks stop bleeding, and there is dismonths before the banks stop bleeding, and there is disgeneration of Indonesians.

ECONOMIC SCENE

For the banking system as a whole, nonperforming loans are said to be running at 70 percent of total bank debt, with interest on a further 10 percent to 15 percent being only partly met. One report says 65 percent of all loans should be classified as needing 100 percent loss-provisioning.

The government's remedial measures include the recap-

italization of state banks, closures of several - mostly small - banks, the injection of government capital and some new private money into a select number of mostly large but hitherto private banks, and the takeover - but not closure - of several other private banks.

The recapitalization will consist of the issue of government bonds to the banks as substitute assets for loans being written

agreement over how much it will cost to rescue them. costly as it is, as far from adequate. Most banks will still have Whatever the final bill to be presented, it will hang over a negative interest income — and high costs. The government negative interest income - and high costs. The government bonds do not represent cash, which can help restart the economy through new loans. Interest on the bonds, fixed at 2 percent below the local Treasury bill rate, is said to be likely to be too low to make banking profitable, even after branch

closures and other cost-cutting.

The old owners and failed managements at the private banks are continuing in place even after government acquisition of shareholder control. In some cases, owners who have put up the 20 percent new cash required by government have done so even though they are in default on some of their own loans, local as well as foreign. Most of these banks are also heavily indebted to Bank Indonesia, which provided liquidity when their deposit base collapsed.

The government is in a bind. On the one hand it promised to guarantee all bank deposits and borrowing; on the other it has shown minimal ability or even will to get control of bank assets, or apply pressure on major defaulters. Bankers and borrowers retain much influence in the political system. The bankruptcy law is not yet working as intended, and with the government picking up the bill bank managements are viewed

as likely to offer sweetheart deals to many defaulters.

Officially, the bank rescue bill stands at around 450 trillion rupiah (\$50 billion) in bonds, which have to be issued to back recapitalization and repay Bank Indonesia for liquidity support to private banks. But unofficial estimates from specialists now go as high as 700 trillion rupiah, or 60 percent of gross domestic product. Asset sales probably will shave the bailout

bill by only 20 percent at best, by most estimates. Decisions on which banks and companies live or die are highly political, and will remain so at least until the June election. A strong vote against the government party, Golkar, and replacement of President B. J. Habibie by a strong reformer might eventually lead to tougher action against the malfeasance that has cost the nation so dearly and clear the way for the entry of new capital and management. But that is a long way off.

Very briefly:

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 International Digital Communications Inc. will reject a takeover bid by Cable & Wireless PLC of Britain and pursue an offer from fellow Japanese phone company Nippon Telegraph & Telephone Corp., the newspaper Yomiuri Shimbun reported, sending shares of NTT surging to a nine-year high.

 JGC Corp., a Japanese maker of petrochemical, gas and oilrefining lines, will cut 500 jobs, about 20 percent of its work force, through early retirement and attrition

 Mazda Motor Corp., an affiliate of Ford Motor Co., will increase its investment in new models by 15 percent over the next four years as it recovers from financial difficulties.

• Thailand's gross domestic product shrank 11 percent in the third quarter of 1998 from a year ago but grew 1.4 percent over the previous quarter. The state planning agency predicted recovery by the second half of 1999. Meanwhile, three Thai banks will offer an additional 52 billion baht (\$1.38 billion) in loans to help small businesses ride out the recession.

 Salomon Smith Barney Inc. and Citihank NA, both units of Citigroup Inc., led investment banks in selling equity in Asian companies this year, even as sales by all companies dropped 35.7 percent from the same period last year.

 Nikko Electric Industry Co., a Japanese maker of electrical parts for automobile engines, filed for bankruptcy after de-clining earnings left it unable to pay debts stemming from its investments in equipment and affiliates...

 South Korea's central bank denied it had lost billions of dollars through derivative investments, as a recent World

China Internet Firms Link Up

BELIING — China's eight Internet content providers

have reached an agreement aimed at regulating the mar- Goyoyo, Shanghai Online ket and defending themselves and information. Highway against foreign competition, official news organizations dustry group. reported Friday.

that local companies need a reach 2.1 million in Decemregulated domestic market," ber. Official forecasts predict have enough strength to comterparts that have shown a lot information in Chinese.

of interest in entering the mar-

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Taiwan said Friday that it wheat, barley and other farm would lift an import ban on produce. 150 agricultural products from the mainland to improve Chinese goods.

its own chances of getting in.
Once China is admitted to the WTO, Taiwan is hoping to follow. And Beijing — as a is out of the question for now, member — is expected to deofficials said. Taiwan will mand more such concessions from Taiwan, which could ular teas to prevent hurting fuel more disputes between

moves closer to entering the

World Trade Organization,

growers, they said. Preparing Taiwan to treat China as a fair trading partner vague on a subject that could ening military attack if Tai-entry.

under WTO rules, Taiwan's prove touchy: whether to end wan ever formally declares TAIPEI - As China Economics Ministry said that its ban on air and shipping the island would allow the links with China once both import of Chinese com, are in the WTO. The trade body's rules call

for open transport links. Tai-The directive Friday rep- wan conceivably could try to resented Taiwan's broadest prevent this by citing overmove to open its markets to riding national security concerns, but Chiang Ping-kun, But completely free trade chairman of the government's ning and Development, said keep its ban on several pop- Friday that it was too soon to

Wooing WTO, Taiwan Opens Markets

the livelihood of its own tea try that.

say whether Taiwan would

independence, and opposes its joining any international organization as a sovereign

Taiwan and China split politically following the mainland's civil war in 1949, and Taiwan bans official contacts with China.

Taiwan has completed bi-Council for Economic Plan- lateral negotiations with all 26 WTO member countries that demand such talks.

A working committee of the organization is scheduled Beijing regards Taiwan as to meet in Geneva this month Taiwan also remained a renegade province, threat- or next to discuss Taiwan's

HONG KONG: Economy's Three Pillars Are All a Bit Shaky

or source of economic activity has been its role as a gateway to China. Foreigners doing business with China would often set up their head offices in the more sophis-English-speaking Hong Kong, and then jet to China when needed at their factories or sales offices there. They often used Hong Kong ports to ship their goods in and out of China. Likewise, China used Hong Kong financial markets to raise money for its companies and infrastructure projects. But traders are increas-

ingly bypassing Hong Kong ported Friday.

Outstry group.

The number of users in nel and office operations district park and luxury in a Park end of the project is a \$1.7 billion high-technology in dustrial park and luxury apartment complex called the project is a \$1.7 billion high-technology in dustrial park and luxury apartment complex called the project is a \$1.7 billion high-technology in the projec for cheaper ports in China,

can no longer drive the econ- son of the influential tycoon

Continued from Page 11 omy," Mr. Xie said. For now, Li Ka-shing. Richard Li's Pa- prime lending rates 25 basis the government has singled cific Century Group was points on Friday to 8.50 per-out two projects. It is nego-awarded the Cyberport deal cent. The cut, which followed tiating with Walt Disney Co.
to build a huge theme park in
Hong Kong. The talks are still

Prime Rates Are Cut under way, with few details made public, but the govern-

ment said a Disney theme park would stimulate tourism and bring thousands of jobs. Critics, though, said the jobs would be low-paying. They also said it was unclear whether a Disney theme park would lure back the big-

a round of interest-rate reductions in Europe on Thursday, was in line with market ex-

prime cut shortly after the

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China Daily said, "which ensures Chinese companies are able to expand quickly and have enough strength to compete with their foreign counpete with their foreign counter with the property and China trade with the reserve with its three exconding this year pillars in trouble, Hong Kong needs to find a new act.

"Hong Kong needs to find new act. "Hong Kong needs to find new sources of growth, now that property and China trade with the property and China trade with the

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spending tourists from Japan,

the United States and Europe,

or would simply bring in

more tourists from mainland

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The banks announced the

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NOTICE TO SHAREHOLDERS

Notice is hereby given to the shareholders of PHARMA/wHEALTH ("the Fund") that the Board of Directors of PHARMA/wHEALTH Management Company S.A. ("the Management Company") took the following res

The Management Company will receive a fee ("Fixed Fee") out of the assets of the Fund at the end of each quarter at an annual rate of 1% of the net asset value of assets of the Fund, as determined on the last Valuation Date of each month; the I will be cal-culated on the average of such monthly net asset values during the relevant quarter and will be payable at the end of each quarter.

In addition, the Management Company will receive annually at the end of each fiscal year a performance fee out of the assets of the Fund (the "Performance Fee"). For each investment Advisor, the Performance Fee will be calculated separately on the portion of the Fund's assets managed by such investment Advisor. This means that, if the assets managed by one investment Advisor Show an increase wich entitles the Management Company to levy the Performance Fee, where as the assets managed by the one or more of the remaining Investment Advisors do not show an increase which warrants the payment of the Performance Fee, the Performance Fee will still be due and payable with regards to the assets managed by the performing of the Fund is insufficient to justify the payment of the Performance Fee, or could even be negative. For the purpose of the calculation of the Performance Fee, a specific net asset value per share ("the Specific Net Asset Value per Share") will be calculated on each Valuation value per Share) with he calculated in each valuation Date with respect to the assets managed by each Investment Advisor. The Performance Fee, if any, is equivalent to twenty percent of the excess appreciation in the Specific Net Asset Value per Share per year. The excess appreciation is equal to the appreciation in any year in excess of 8%, and adjusted appropriately for partial years. Morrover year in excess of 8%, and adjusted appropriately for previous distributions and for partial years. Moreover, the Performance Fee is only paid when and if the Specific Net Asset Value per Share reaches, at years end, a new high, compared to the high at the year end of any previous years (the "High Water Mark") and only on the new excess appreciation over the said high at the end of any previous years for the Specific Net Asset Value per Share will also be adjusted to reflect dividends and other distributions. The High Water Mark will be calculated separately for each Investment Advisor. In the event an Investment Advisor is replaced by a new Investment Advisor to that assets are shifted from one Investment Advisor to another Investment Advisor, the new Investment Advisor will be bound by the High Investment Advisor to another investment Advisor, the new Investment Advisor will be bound by the High Water Mark relating to those assets be will manage. Each Investment Advisors will be paid by the Management Company from the Fixed Fee and, if appropriate, the Performance Fee as agreed upon in the advisory agreement executed with each Investment Advisor. No assets of the Fund will be exposed to the payment of a Performance Fer more than once, in the case that the Fund's assets decline in value and subsequently increase in value under the management of a different Investment Advisor. The Fixed Fee will be calculated on the last Valuation Date of each quarter and paid quartely in arrears. The Performance Fee will be calculated on every Valuation Date and accrued appropristely but payment will be based on the last Valuation Date of the Fiscal Year of the Fund as compared to the last Valuation Date of the previous Fiscal Year of the Fund or in the case of the initial Fiscal Year, the initial Valuation Date and paid in arrears. The last Fiscal Year of the Fund may be an abbreviated Fiscal Year and the Performance Fee will be calculated on a pro-rata basis

The Custodian shall be entitled to receive out of the assets of the Fund a fee of 0.12% per annum calculated on the basic of the net assets at the end of each month; no other administration fee will be charged out of the fund for the Custodian.

The new rates of the fees will become effective one month The new rates of the free will become effective one month after the date of publication of this notice. During this period of one month, the shareholders of the Fund have got the right to ask for redemption of their shares, without any redemption fee, at registred office of the Management Company, 31, Allée Scheffer, L-2S20, Luxembourg.

2. Orbimed Advisors LLC 767 Third Avenue, New York, N.Y. 10017-2023 Alliance Capital Management L.P. 1345, Avenue of the Americas New York N.Y. 10105 Merlin BioMed Advisors LLC 237, Park Avenue, Suite 801. NEW YORK NY 10017

were appointed as new Investment Advisors to the Fund. The Management Company shall entrust to each Investment Advisor with the management of a portion of the Fund's assets. The Management Company may, at any time and at its sole discretion, increase or decrease the amount of the Fund's Assets allocated to each investment Advisor. The agreements concluded with the Investment Advisor will be provided upon request, together with the update amount of the Fund's assets allocated to each Investment Advisor, at the registered office of the Management Company. Each Advisor has the power, subject to the overall supervision of the Board of Directors of the Management Company, to manage, invest and disinvest the portion of the Fund's

The new Prospectus dated May 1999 will be at the disposal of the investors, free of charges, at the registred office of the Management Company. Luxembourg, on April 2nd, 1999.

PHARMA/wHEALTH Management Company S.A.

By order of the Board



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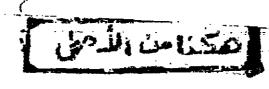
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Website: www.iht.com/IHT/MONEY

, Icahn's Magic: **Transforming Bad to Better**

E-mail address-moneyrep@iht.com

By Aline Sullivan

ARL ICAHN'S current portfolio is the stuff of other investors' nightmares: RIR Nabisco Holdings Corp.; Philip Services Corp.; American Real Estate Partners LP, all companies with enough problems to make most people wake up screaming, or at least set them to grinding their teeth.

Mr. Icahn owns huge stakes in all

three as well as in some smaller companies, including National Energy Group Inc., and Cadus Pharmaceutical Corp. Even with his dubious portfolio, the 62-year old corporate raider ranks as one of the richest people in the United States (72d, according to Forbes magazine which estimated his net worth in October 15.26 billion 15.27 bil at \$2.6 billion). How does he do it? By wrestling the best outcome for himself in

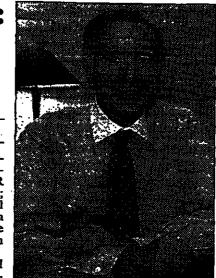
any deal, no matter how sour. Consider his Internet travel agency, Lowestfare.com. Business is thriving, and the company is planning an initial public offering. It is successful but hardly unique. But there's more to it than that Although it has travel alliances with othtage is that it is able to unload the roughly \$600 million worth of Trans World Airline tickets owned by Mr. Icahn.

He bought them at about half that

the company jumped when Mr. Icahn proposed in November to buy most of its publicly held stock for \$10.50, well above the \$7.25 it fetched at the time. Not surprisingly, the offer was greeted by the shareholders with enthusiasm. assets are worth far more, say \$18 a smokers.

THE STOCK is heading Mr. Icahn's way, however: shares

trading. Even Philip Services may turn also concern, which has been harmed by un-currently faces. is betting on a successful restructuring. expected RIR's stock to rise about 30 In the interim, however, Mr. Icahn is percent in the next six months.



Carl Icahn

Major holdings: RJR Nabisco Philip Services Lowestiare.com

American Real National Energy Group

busy doing battle with RJR Nabisco's board. He has approved the company's plans to sell its international tobacco food business into a separate company. Instead, he wants to spin off the tobacco business. With that aim in mind, he has

annual meeting.

The difference is more than semantics. After the sale of its internaprice following his departure from the will own the domestic tobacco business market

If RJR Nabisco were to give the remainder of the food company to its investors, that would sever the link to the domestic R.J. Reynolds tobacco business, which faces the threat of substan-Analysts pointed out that the company's tial health-related liabilities from

> The company's plan would allow winners of judgments against R.J. Reynolds to go after assets of RJR Nabisco if the tobacco company were to go bank-

bonds of the Canadian industrial-waste to even more litigation threats than it

authorized copper trading and restruc-turing costs and now faces enormous control of RJR Nabisco. Even so, he will environmental liabilities. Many analysts probably emerge a winner on the inbelieve that it will either be restructured vestment front. A Salomon Smith or collapse. Mr. Icahn, not surprisingly, Barney analyst, Martin Feldman, said he

Investing With Raiders: Ebner Muscles In

By Sharon Reier

ITH HIS signature bow tie, audacious manner and a reputation for fighting for shareholders against the complacent Swiss corporate establishment, Martin Ebner is widely known as a maverick financies

But these days Mr. Ebner seems as much an insider in Swiss corporate af-fairs as an outsider. He is a director of ABB Asea Brown Boveri Ltd., the Swiss-Swedish construction and power generation company, by virtue of his 13 percent voting interest. Now he appears about to take the helm of Alusuisse Lonza Group AG, the Swiss aluminum, chemicals and packaging company that last week abandoned an attempt to merge with VIAG AG, a German industrial concern.

Mr. Ebner grabbed worldwide attention in the mid-1990s when he battled the management of Union Bank of Switzerland, the forerunner of UBS AG.

So flamboyant was his behavior in Switzerland's normally discreet finanplans to sell its international topaction business to Japan Tobacco for \$7.8 billion but not of its plans to spin off the whoever correctly guessed how many proxy votes Mr. Ebner could win in his plans to spin of the whoever correctly guessed how many proxy votes Mr. Ebner could win in his proxy votes Mr. Ebner could win his proxy votes Mr. Ebner could voting rights. Perturbed by his behavior, er airlines, Lowestfare.com's big advan- pledged a proxy fight at the May 12 UBS management had tried to reduce the

voting rights of his shares.

Mr. Ebner lost the battle but won the war. Late in 1997, after Union Bank of tional tobacco operations, RJR Nabisco Switzerland and Swiss Bank Corp. announced their plan to merge into airline that he ran between 1985 and 1993.

American Real Estate may provide grounds for another neat trick. Shares in the public and now trades on the stock start of the year.

> ATER, however, the stock was punished in the market upset that followed the Russian debt default last summer. After rising to a record close of 453 Swiss francs (\$305) on July 31, BK Vision fell to a low of 148 on Oct. It has since recovered to 338 francs, above the 290 level it reached at the time of the bank merger announcement.

Mr. Ebner also heads BZ Group Holdwere priced at nearly \$8 in Friday

The RJR Nabisco chairman, Steven

Change-listed investment companies for

wivete and institutional funds: Pharma ing, BZ Bank Zurich, a private bank, and Goldstone, last month dismissed Mr. private and institutional funds: Pharma turn out right, though that looks like at Icaim's challenge, his second in two Vision 2000 AG, BK Vision AG, Gaslong shot. Mr. Icahn has a lot at stake: a years, as a "rite of spring" and warned. Vision AG and Stillhalter Vision AG. \$50 million investment in stocks and that his plans would expose the company The four funds are estimated to be worth more than 13.5 billion Swiss francs (\$9.09 billion), and Mr. Ebner's personal fortune is believed to be in excess of 2 billion francs.

How much restructuring Mr. Ebner mitiates "is a topic of a lot of discussions," commented Christoph Roeder, who follows Asea Brown Boveri for Credit Strisse First Boston.



Martin Ebner

Major holdings: ABB Asea Brown

UBS HSBC Nestle

'Every call that I get on ABB starts and ends with the question of how much is Mr. Ebner influencing it."

In March, ABB announced a restructuring that will bind its power generation division with Aistom SA of France, a move that analysts estimated would double its operating margin in a competitive marketplace with a lot of overcapacity. The company has also said it would restructure its complex four-tier share system to a single unified share, a move Mr. Ebner claimed could raise the stock's value by 20 percent.

Many of BZ Group's investments are in the pharmaceuticals and financial sectors, areas where there have been record merger activity recently.

A spokesman for Mr. Ebner denied the group necessarily seeks to restructure the companies in which it invests. "Basically our investment philosophy is always the same," explained Kurt Schiltknecht, BZ Group director and former Swiss National Bank economist.

looking at good management and a clear Mr. Ebner was last reported to own *az GROUP HOLDING: www.banus.ch

strategy. Of course, we are also saying that the world is changing. You always have new elements. We like companies which can adjust to new developments and the course of the shares.

Michael Krinner, a portfolio manager at Bank fuer Handel & Effekten in Zurich, said, "When there are rumors are rumors and the course of the shares. quickly and can restructure."

If BZ Group does not take credit for these restructurings, it is pleased with the results. Mr. Schiltknecht said: "The old boy's network has fallen apart in Switzerland, and that is good for the economy." Madeleine Hofmann, banking analyst for Credit Suisse FB in Zurich, added, "He supports these kinds of deals as long as they are value creating.'

BZ Group's funds are guided toward long-term performance, said Mr. Schiltknecht, "We normally say when we buy something, we buy it forever. We have held Roche in our portfolio since 1991. We are looking for companies for our inheritance, so to speak. We like to view ourselves like an entrepreneur. If you look around the world, the really rich people are entrepreneurs."

HILE MR. EBNER'S group is mostly active in Switzerland, it ▼ has been moving abroad. Last summer, when turbulence in Asia and Russia bludgeoned shares of financial companies, BK Vision initiated a position in HSBC Holdings PLC, the parent of Hongkong & Shanghai Bank. "HSBC views the banking problems in these countries as an expectation." these countries as an opportunity," read the latest annual report from BK Vision. "HSBC has plenty of experience in taking over banks in need of restructur-

Indeed, HSBC was trading Friday at 270 Hong Kong dollars (\$34.84), up from as low as 132 in September.

Other portfolio holdings include the drug makers Roche Holding Ltd., Hoechst AG and Glaxo Wellcome PLC, Credit Suisse Group; Swiss Reinsurance Co., the gasses companies AGA AB of Sweden and BOC PLC of Britain; the Swiss real estate company Intershop Holdings AG; and Nestle SA.

A recent investment in a mid-cap Swiss textiles machinery maker, Rieter Holding AG, has analysts scanning the horizon for signs of restructuring. There have been rumors of a merger with Saurer AG, a domestic competitor, but any action may be slowed since Rieter places He added, "We are looking for fi-nancially sound companies and we are shareholder or group of shareholders.

that he is buying or he is selling, people try to jump on the bandwagon.

There are two reasons. One reflects short-term investors seeking to profit as Mr. Ebner's interest becomes known. Medium- and long-term investors, meanwhile, expect a shakeup. "When he is an investor, it is believed he is going to set management



under pressure to increase shareholder value, so it becomes a self-fulfilling prophecy. He is the Swiss Warren Buffett, said Mr. Krinner. Yet Mr. Ebner's

group does not approve every restructuring plan. After Stillhalter Vision took a shareholding in Alusnisse Lonza, the market expected a shakeup to ensue. They were not disappointed: in November, Algroup, as it is known, said it would merge with VIAG, a German electric-utility-based conglomerate.

But Mr. Ebner and other investors felt they were getting a raw deal after VIAG sought to alter the terms of the merger agreement. VIAG AG wanted to give its shareholders a bigger stake in the merged company than originally planned after an audit gave it a surprisingly large valuation.

Egged on by its major shareholders, with the backing of Mr. Ebner, Algroup refused to change the terms of the merger, and it eventually fell through. Now there is talk that Mr. Ebner, who was proposed for chairman of the board of the combined company, will head Algroup while it assesses its future.

One possibility is that it will merge with EMS-Chemie Holding AG, a chemical company whose chairman is Christoph Blocher, a nationalist member of Parliament and business ally of Mr. Ebner. In fact, Mr. Blocher, who sat on the Pharma Vision board until recently. often invests in the same companies as Mr. Ebner, so EMS is a kind of proxy for

For further information:

Edelman Returns With a Continental Accent

FTER A seven-year sabbatical from the takeover wars of the 1980s, during which he managed an art museum in Switzerland, Asher Edelman returned to investment management in 1995. Now a Swiss resident, he runs the Luxembourgbased Edelman Value Fund Ltd. and Edelman Value Partners out of New York. The funds, with a combined value of \$200 million, focus on hard assets such as real estate that are not reflected in companies' share prices. Currently, 46 percent of their net-asset value is represented by French and Swiss stocks. As befits a man who once taught a

course at Columbia University called "Corporate Raiding: The Art of War," Mr. Edelman is an active investor. "Our role is to make things happen," he said "We try to find companies where real asset values are substantially greater than share price and try to take a position and actively try to work with management to change the allocation of assets So far, his tactics have worked. Over Asher Edelman

the past three years the Edelman Value Fund's average annual repur has been 30 percent.

Among the European holdings in the Taitinger Edelman Value Fund are: Baumgartner Societe du Louvre Papiers SA, a Swiss maker of cigarette filters and specialty wrapping for estate holdings valued at nothing." chocolate boxes; an unidentified Swiss Edelman recently made a profit property company; and Taitinger SA, the champagne maker that owns more than half the voting rights in the Societe du Louvre SA conglomerate. He also has a direct position in Societe du Louvre, which owns luxury hotels, including the Crillon in Paris; Baccarat Crystal; and the Grand Vefour Restaurant in Paris.

and Swiss stocks these days because Stephen McAllister, who works for Societe du Louvre. Mr. Edelman main-"Europe is at a good place in the cycle. Edelman Value Fund in Geneva. In the U.S., the reallocation of assets from less productive to more productive proved profitable: Chicago Dock & Canal efits" that were not otherwise available has been pushed forward over the last 15 years," he stated.

are lots and lots of very old companies which are not selling at high multiples of the land was over \$20 per share, about share prices have risen substantially.

So far, the well-connected Taiting the share prices have risen substantially. asset bases and those asset bases are not the shares, were owned by value investors family has kept Mr. Edelman at bay. But reflected in the financial reporting.

While the reporting of major mul-"For example, he shot, you real estate up put itself up for sale, and ultimately it to mark the value of your real estate up put itself up for sale, and ultimately it to mark the value of your real estate up put itself up for sale, and ultimately it [as its market price increases] in any acceed, there are all mandreds of years of real which owns a large piece of oceanfront



Major holdings: Baumgartnei

California Coastal Communities ESC Medical

Edelman recently made a profit investing in Compagnie Fonciere FIDEL, which leases warehouses and office buildings and had AXA SA as its largest investor. The big French insurer has been disposing of noncore investments, and Telex were thrown into the arms of other FIDEI was no exception. "We bought suitors, often at a substantial profit. the stock between 30 and 40 francs and kicked out of it at about 60 shortly before last year after Mr. Edelman made three Mr. Edelman said he favored French it was sold to Lencadia National," said

Mr. Edelman noted. many manuscreases, and we allow me real siny. The laws and interpretations have companies have not followed the trend.

"For example, he said, "you don't have they recommended to the company that it the need for international capital."

tas its marker plant and France, he Mr. Edelman also has a position in country. In Switzerland and France, he California Coastal Communities Inc., added, "there are hundreds of old California Coastal Communities Inc.,

A CONTRACTOR OF THE PROPERTY O

property near Irvine. He called it "the last piece of developable residential property in Southern California."

"I am not doing anything very activist because it is in the midst of various green issues," he said. "We bought preferred stock and they were doing a restructuring and we campaigned to get the preferred converted at more than the offered price. We have stayed in touch with management. We think we are looking at a double or a triple there."

Not all Mr. Edelman's choices are based on real estate. He also looks for companies selling below the value of their assets if those assets were to be sold to the "highest and most efficient buyer."

THAT, he said, was the case with ESC Medical Systems Ltd., an Israeli medical laser company Due to what he called "temporary problems which are solvable" the company's Nasdag-listed shares were selling at just four times their cash flow, measured as carnings before interest, tax, depreciation and amortization. Mr. Edelman estimated that even a buyout group would pay eight times the earnings before interest, tax, depreciation and amortization. Another company would likely pay more, and ESC has hired a financial adviser to help it evaluate its options.

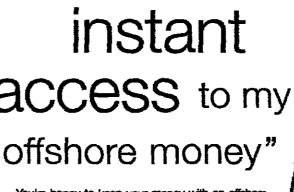
If management fails to heed Mr. Edelman's gentler nudges, things may grow hostile, a legacy of his 1980s takeover tactics. Companies including Burlington Industries Inc., Morse Shoe Inc. and

Things reached that pitch in France offers to the controlling shareholders of tained that the Taittinger family was Another property investment that giving itself "privileges" and "ben-Trust, a real estate investment trust that to shareholders. "We are still fighting a owned the largest parcel of underdeloped court battle," said Mr. Edelman who is By contrast in Europe, he said, "There land in downtown Chicago. Mr. Edel-still accumulating shares in both Societe man's researchers estimated the value of dn Louvre and Taitinger although the

So far, the well-connected Taitting — many of whom I know," he said. "I Mr. Edelman is not giving up. He said: began to talk to management. We said we "There is an old generation of conwrite the repeating of images may have would be willing to buy this company for nections and a younger generation of evolved toward international standards; 520 per share. Management brought in connections that sees them as extremely evolved toward many mid-size Lehman Brothers, and we knew the real silly. The laws and interpretations have — SHARON REIER

INVESTORS INTERESTED in Mr. Edelman's funds can call 1 212.371.5802 for further suformation. The minimum investment for the donastic U.S. fund, Edelman Value Pastners, is 51 tailing, while the minimum for the offshore Edelman Value Cand is 5500.000.

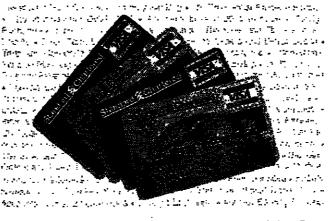
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THE MONEY REPORT

BRIEFCASE

Growing Allure Of Growth Stocks

You cannot blame value inative to their earnings, assets holders and job creation. and dividends. For the past are prized for their potential to deliver strong growth.

Each year, Deloitte Touche

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ings are based on compound for the 12 months ending annual revenue growth at March 31, last year's leader, vestors for giving up on the more than 30,000 companies. Intel Corp., was up 52 per-philosophy of buying stocks and the data also take into cent. No. 2 Compaq Comwhen their prices are low rel- account total return to share-

Top honors this year went several years, their results have to Eidos PLC, a British video pleasant 85 percent higher. been dismal when compared and entertainment software with returns on companies that company. It was followed by Autonation Inc., the car retailer that until last week was known as Republic Industries Tohmatsu and the World Eco- Inc. It is run by Wayne Huiznomic Forum's World Link enga who has already created magazine compile a list of the and sold such blockbuster companies as Waste Management Inc. and Blockbuster

> In third place was Elekeiroz SA, a Brazilian maker of chemicals and fertilizers, and it was followed by an all-American list of Rainforest Cafe Inc., Boeing Co., Applied Cellular Technology inc., Hewlett-Packard Co., Transmontaigne Inc., Citig-roup and Cadiz Inc.

Investors who followed the top picks on the list last year

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200 fastest-growing companies in the world. The rank- on total return to shareholders ADRs are created with the puter Corp. gained 23 percent portion of the expenses in-and the third-place company, volved in creating the receipts Home Depot Inc., was a

WORLD LINK MAGAZINE, For information see the activate at warm a chorum org/publi-entions/WL call-14 171 779 8721 or fax 44 171 779 8727.

Amplification

The tables that accompanied last week's articles about American depositary receipts mentioned but did not explain have been 1.85 percent.

participation of the company whose shares are being sold in the U.S. market. A company that sponsors its ADRs pays a

and maintaining the program.
Unsponsored ADRs are created by depositary banks in response to perceived investor demand. Generally, they offer fewer shareholder services than sponsored ADRs.

Elsewhere in the tables, the dividend yield for Glaxo Wellcome PLC's London shares was misstated. It should

Many Retirees Spoil the Soup

By Alexa Olesen

THEN it comes to retirement, there is no safety in numbers. According to analysts at Morgan Stanley Dean Witter & Co., if you want to maximize the value of your investments, you should be the only retired person in a place where everybody else is

Among the big economies, this is bad news for Italy and Japan. which have relatively large portions of their population approaching retirement age, Morgan Stanley said. The United States is the most sheltered from the trend in the Group of Seven.

There are two things to consider. For those already retired, the value of their savings will be diminished if they are surrounded by others who have withdrawn from the work force. All the retirees will be competing to buy goods and services from an economy with a small work force. That will tend to raise prices, the Morgan analysts said.

The United Nations has calculated that retirees could

rise to as much as 70 percent in Japan and 55 percent in Italy, compared with levels of 20 percent or below in many developed countries at the start of the 1970s. The United States, by contrast, is expected to have a relatively benign ratio of about 35 percent.

A related concern is for those investing in securities in economies that are top-heavy with retirees. As growing sections of the world's populations cease to work yet continue to consume, many countries will experience a shortage of goods and services and therefore inflation. The Morgan Stanley analysts posited that countries with relatively large retired populations and small work forces will see the value of their equities diminish over time.

Restructuring Craze Sweeps Japan Restructuring Craze Sweeps Japan

By Miki Tanikawa

THE NEWEST buzzword in the Japanese stock market is risutora, or restructuring, and the mere sound of it has been music to investors' ears. The announcement that a company is planning to revamp its operations or cut costs has been enough to send its stock price aloft, and a recent spate is partly responsible for the more-than-20 percent rise in the Nikkei

stock average so far this year. Yet while analysts say there is more substance behind most of the announcements than past promises, not every pledge of corporate change is a guar-

antee of enhanced profits. Among the giant corporations that

have pledged to reduce their unused manufacturing capacity, refocus their businesses and trim as much as 10 percent of their work forces have been

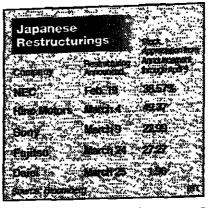
Sony Corp., and Toshiba Corp. The trend is spreading like wildfire as retailers like Daiei Inc. and Mitsukoshi Ltd., and trading houses such as Marubeni Corp. and Sumitomo Corp. join the pack.

Mitsubishi Electric

Corp., NEC Corp.,

'Previously.'' said Erol Emed, manager of the quantitative group at SG Yamaichi Asset Management Co., "you had tatemae [superficial] restructuring. They said they were restructuring but it wasn't something to be taken seriously, in terms of increasing efficiency or profits. You have now more serious restructuring, either through mergers or serious business plans.'

This is good news for an economy in which assets have been misallocated to unprofitable uses. One telling example is the recent decision by Nissho Iwai Corp. to sell its 50 percent stake in the big online service provider Nifty Co. to its co-owner, Fujitsu Ltd. This will allow Funtsu to pursue its main computerrelated business while supplying Nissho Iwai, a beleaguered trading company. with much needed cash to cut its debt



Fujitsu's stock jumped more than 25 percent on the news, Nissho Iwai is up more than 40 percent this year, though its rise came when it announced other restructuring measures earlier in March.

Some observers, however, find the current market reaction overdone. "Restructuring has become such a buzzword," said Masaaki Abe, chief investment officer at Pictet Asset Management (Japan) Ltd. "Now, if you post any restructuring plan, stocks go up.

For many companies, profit growth is not in sight for a year or two so investors are buying on the fuzzy hope that today's corporate restructuring will translate into tomorrow's improved results, said Mr. Abe. There also is a sense of déjà vu, he added, on the part of foreign investors, who have been the force behind the latest rally. Overseas investors think — or hope — the Japanese experience will echo that of the United States, where stocks have been levitating in part because of corporate cost-cutting earlier

Sony Corp. is typical. Its shares are up 20 percent since early March after it announced it would eliminate 10 percent of its work force, or about 17,000 jobs, and close 15 factories around the world. That followed the company's preview of its new game console, PlayStation II, which can produce movie-quality three-dimensional game images and can connect users to the Internet and a personal computer. It also can play music and movies.

But Koichiro Chiwata, an analyst at Nikko Salomon Smith Barney, said the moves would not aid profit anytime soon. "Sony's reorganization plan and

the next-generation Play Station sound neat, but major earnings recovery is not in sight until fiscal 2001." He predicted the stock would fall from its current level of 12,360 to 9,000.

A concern to skeptical investors is lack of managers' resolve to boost capital efficiency and devise plans to increase future cash flows. "I don't see #: restructuring in the real sense of the word," said Noriyuki Fujiwara, director of Japanese equity at Credit Suisse Asset Management Ltd. in Tokyo. "You have to distinguish between restructuring and cost-cutting."

A more immediate worry lies in enacting reorganization plans. "The risk for NEC is whether they can acmally implement their restructuring plan, said Mr. Abe. He said paternalism and bureaucracy were the rule at NEC, which would make it difficult for the company to cut the 15,000 jobs, or 10 percent of its staff, that it said it would jettison in February. If companies such as NEC do not follow through on their plans, investors could stampede out of the market as quickly as they rode in.

R. FUITWARA is particularly concerned about NEC. "The market probably overreacted. absent the company's genuine shift to-wards investor-orientedness. The PC maker may have decided to its go 10 percent of its work force, but its wage and employee benefit costs will likely rise 10 percent over the next three years undoing any good it may have just done."

Mr. Abe of Pictet said that for in-

vestors the trick was to find companies that practice "real" restructuring, such as Fujitsu Ltd., and Takeda Chemical Industries Ltd. "These firms are models of what restructuring should be.

Takeda unveiled a bold plan for restructuring in 1995, announcing a staff cut of 31 percent over the course of 10 years, at a time the drug maker was basking in record profits. It also divided itself into individual profit centers to raise managers' awareness of earnings. Takeda, which is expanding abroad while scaling back domestically, is committed to constant change to reflect the market's demand, said Mr. Abe. He predicted average earnings growth of 18 percent over the next three years.

load. "That was an important step for both companies," said Mr. Emed. E-mail: irl@ICSL.com For information please contact, Lyora Rasb: Fax (33-1) 41 43 92 12 or e-mail: funds@iht.com April 9, 1999 INTERNATIONAL FUNDS Advertisement To receive free daily quotations for your http://www.iht.com/IHT/FUN/funds.htm d Global Tech Pend d Control & Eastern Europ Fd d India Fund OUT HERMES ASSET MANAGERIE Bermuda: (2077295 4000), Luc (15224 w IDF-Glober Fund Inc. \$ 119.99

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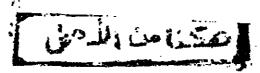
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THE MONEY REPORT

Coke and Gillette Illustrate How Volatility Can Be Investor's Best Friend

or about half what was expected.

By James K. Glassman

AS COKE has gone flat? Has Gillette lost its edge? The stock of the Cocamost successful investor of our time. And . . . Cola Co., which had raced, with barely a pause to refresh, from \$20 in the summer of 1994 to \$87 in the summer of 1998, closed Thursday at \$60.88 — a decline of anticipated they would make. nearly 30 percent in seven months, while the rest

Meanwhile, the Gillette Co. was having similar troubles, plunging from \$65.25 in late March to \$50 last week — a drop of nearly onefourth. Coke and Gillette have a lot in common. They were started in the late 19th century and have benefited from excellent management and fantastic brand names. ("Coke," says the company, is the world's second-most-recognized expression, after "O.K.")

They make products that hundreds of millions of people use every day. Their foreign sales that its "case volume" (that is, the amount of drinks, says Michael Branca, a Lehman Brothers flow — or dollars that can be passed on to but cannot answer all queries.

top stock holdings of Berkshire Hathaway Inc., the company chaired by Warren Buffett, the

They both have had earnings disappointments ing from Europe, 24 percent from the Middle lately. In other words, they're not making as much money as analysts

Both companies are still expe ted to improve their profits in 1999 and 2000, but East and Asia, 18 percent from Latin America

both have problems. If they solve them, then both Coke and Gillette appear to be excellent buys right now — good illustrations of how long-term investors can benefit from the myopic vision of much of Wall Street.
The plight of the companies, in fact, is a great

lesson in how volatility — in this case, sharply falling prices — can be an investor's best friend. But can Coke and Gillette solve their problems? Coke shocked analysts recently with a report SSMAN / ON INVESTING

and 4 percent from Africa. In the foreign divisions, volume fell a bit, but that was expected. with soft economies around the world. But North America was supposed to be better. Coke still hasn't recovered from the death of nies' businesses.

its brilliant Cuban-born CEO, Roberto Goizueta, from lung cancer in 1997. Among other things, Coke lacks a powerful advertising campaign and its marketing strategy seems tired. Coke needs to do more than offer supersize

vastly exceed their domestic. They have mon-soft drinks it sells) in North America rose by analyst. And, last week, the company suffered a shareholders — a firm is generating ster shares of their markets. They are among the only 2 percent in the first quarter of this year — setback in its purchase of the beverage lines of In 1989, Coke paid an annual division. Cadbury Schweppes PLC outside the United North America accounts for just 27 percent of States. Australian regulators said it would lead

Coke's operating income, with 27 percent com- to too much concentration. Meanwhile, Gillette, the world's largest maker of razors, warned Monday that first-quarter results would be

hurt by slow sales growth in Brazil In a single day, the stock dropped \$7.75. A strong dollar also hurt Gillette, as it did Coke. How bad is it? Small investors cannot possibly answer that question. But they can rely on history and on a simple analysis of the compa-

The first place I look for confirmation of a company's strength is dividends - much maligned and ignored by investors and analysts. What I want to see is dividend growth, be-

In 1989, Coke paid an annual dividend of 17 cents. Since then, the payout has risen every year. In 1999, it will be 64 cents. In March 1989. Coke traded at \$6 a share (a figure adjusted for splits, just as dividends have been). So an investment of \$6,000 would have brought \$170 in

dividend checks. Today, that stake brings \$640 in checks, a return this year on your original investment of more than 10 percent — and rising.

With Gillette, the story is almost identical. Dividends have also risen every year, from 11 cents a share to 51 cents. The stock 10 years ago traded at \$4.50 a share, so an investment of \$4,500 netted \$110 in dividends. Today, it brings \$510 - an annual return of 11.3 percent — or twice the rate of a Treasury bond.

Washington Post Service James K. Glassman's e-mail address is cause it's an indication of how much free cash jglassman@iht.com. He welcomes comments,

A Kinder, Gentler KKR Turns Its Buyout Attentions to Europe

NVESTORS who like to keep an eye on what buyout firms are Herberts GmbH, a subsidiary of Hoechst AG and the biggest supplier doing had good reason this week to sit up and focus on plans by Kohlberg Kravis Roberts & Co., Wall Street's biggest buyout specialist, to sell half its \$3 billion stake in Gillette Co. Besides causing a sharp drop in the price of Gillette, the announcement raised the questions of what else KKR has slated for sale and what it plans to do with a war chest that will top \$7.5 billion

when the disposal is complete. The KKR partners Henry Kravis and his cousin George Roberts are keeping mum. But analysts are speculating the company may shift

its attention away from the United States, noting that KKR opened a London office in January. KKR looks at hundreds of companies each year but acquires just five or six. It has eschewed

the 1980s policy of hostile takeovers financed by high-yielding bonds, and spokesmen pointed out that the company has always been a relatively long-term holder of its investments. A bid for the specialty chemical business of Zeneca Group PLC is

a strong possibility, they said. The business is up for auction this month and is widely expected to raise at least \$2.5 billion.
"The real problem with U.S. consumer stocks is that they are just

so expensive," said Peter Canelo, U.S. investment strategist at Morgan Stanley Dean Witter & Co. in New York. "Gillette has underperformed the market for a long time now so it is hardly surprising that KKR wanted to cash in. But in Europe, the consumer sector is much better value." Last year, KKR tried to take over

So KKR refocused its ambitions on the European insurance industry, buying the British broker Willis Corroon Group PLC for \$1.4 billion. So far, only four of KKR's 23 majority-owned companies are outside the United States. Three are British, the other is

Further American acquisitions remain possible. Mr. Canelo pointed out there are plenty of cheap U.S. companies that could be of interest, notably financial and communications businesses which are difficult to value. The entertainment industry is another possibility. KKR last year jointly acquired Regal Cinemas Inc., the world's biggest motion picture exhibitor, with Hicks, Muse, Tate & Furst Inc.

KKR has spent more than \$90 billion on acquisitions since it was founded in 1976. That is when the two cousins and Jerome Kohlberg, their mentor, left Bear, Steams & Co. with a simple strategy: Invest with a five-to-seven year view in companies that have plenty of cash but are undermanaged. Encourage executives to add a substantial portion of their own assets to the equity. Give them some advice, pay down the debt and, when it all goes well, sell and pocket the capital

Simple and no secret, which is why investors at Gillette should not be surprised that the time has come for KKR to cash in. After the sale, KKR will still control about 2.3 percent of Gillette stock, half of the

4.6 percent it currently owns and a third of its stake early last year.

KKR's plans to sell its Gillette stake is a chapter in one of its greatest success stories. It started with Duracell, which KKR acquired from Kraft in 1988, turning it into a cash-making machine by firing up the management and making big investments in technology. Eight years later, it sold the company to Gillette in a stock swap that earned KKR a 39 percent compound annual return on its initial invest-

Its involvement with Safeway Inc., the second-largest food re-tailing chain in America, was similar. By the time KKR sold its last holding in the company in 1998, it made a \$5.9 billion profit on shares it bought in 1986 for \$130 million.

T DOES NOT always work out for the best. RJR Nabisco Inc. is not the firm's finest legacy. KKR raised \$25 billion, mostly in junk bonds, to finance the hugely leveraged 1989 buyout. Today, that stake is worth about \$9 billion. KKR exited in 1995.

KKR's current portfolio of public companies includes holdings in Amphenol Corp., which makes cables and connectors; Boyds Collection Inc., which makes collectible items; Idex Corp., the pumpmaker, Kindercare Learning Centers Inc., a preschool education and childcare provider, Primedia Inc., a specialty publications and media company formerly known as K-III Communications Corp.; Owens-Illinois Inc., the packaging concern; Walter Industries Inc., a con-glomerate with interests in homebuilding, finance, mining and manufacturing; and World Color Press Inc., a commercial printer -- ALINE`SULLIVAN



Henry Kravis

Major holdings: Gillette Co. Willis Corroon

Centers Inc. Owens-Illinois Inc.

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Rios Beats Kuerten

TENNES The No. 2 seed, Marcelo Rios, coming back to form after a four-month layoff because of a back injury, beat the No. 5 seed, Gustavo Kuerten, 6-4, 6-3, on Friday to advance to the semifinals of the Estorii Open in Ociras, Portugal. In a clash between Spaniards, Albert Costa, seeded fourth, beat sixth-seeded Fe-

lix Mantilla 6-2, 6-4.
Fernando Meligeni of Brazil, leading 5-4 in the first set of his quarterfinal against Todd Martin of the United States, was disqualified from the clay-court event after hitting a ball into the crowd that rebounded and hit a spectator.
(AP, AFP)

Flo Secures Tie for Chelsea

SOCCER Tore Andre Flo scored five minutes after coming on as a halftime substitute to give title holder Chelsea a 1-1 home draw with Mallorca in the first leg of a Cup Winners' Cup semifinal Thursday. Dani Garcia scored for Mallorca in the 31st minute.

•The Liverpool striker Robbie Fowler was banned for six matches on Friday and handed a record £32,000 (\$51,500) fine on two misconduct charges. A disciplinary commission in Birmingham ordered a four-match suspension for his goal celebrations against Everton last week, when he mimicked sniffing cocaine. Fowler was handed a two-game ban for a separate incident during a game against Chelsea last month when he made sexual gestures and taunts toward Graeme Le Saux. Le Saux, who reacted to the taunts by elbowing Fowler in the head, was banned for one match and fined £5,000. The bans go into effect April 24. (AP)

• Japan defeated the United States, 3-1, at the Youth World Championships in Bauchi, Nigeria, on Thursday, putting the Americans in danger of elimination. The Americans (1-1) are third in Group E with three points, trailing Cameroon (2-0) and behind Japan (1-1) on goal difference. (AP)

Norman And Janzen **Share Early Masters Lead**

AUGUSTA, Georgia - Greg Norman, whose game collapsed in spectacular fashion the last time he led at Augusta National, shot a 4-under 68 Friday to move into a tie for the early second-round lead in the Masters.

After opening with his only bogey of the day on the first hole, Norman played flawless golf, making five birdies to get to 5-under after two rounds.

Lee Janzen birdied the 18th for a 69 to oin Norman at 139, while Scott Mc-Carron was at 5-under through seven

"I'm glad I'm here," Norman said. "I'm glad I'm playing well. I'm getting myself back into the groove of things.'

A host of big names were just behind. The former Masters champion Jose Maria Olazabal and the former PGA champion Davis Love 3d were at 4to fall back to 3-under.

David Duval was at 2-under until he took a triple bogey on the 15th and fell to 1-over. Tiger Woods was even par after two holes, joining a group of 27 golfers within five shots of the lead.

Norman's opening 71 on Thursday was his first round under par in the Masters since he shot a 78 and blew a sixshot lead to Nick Faldo in the 1996 event. He missed the cut the last two years.

Not much was expected of him this year, either. He was coming off shoulder surgery and had played sporadically, missing the BellSouth Classic warm-up last week with the stomach flu.

But on a windy and cool day, he shot a 34 on the front nine, then added birdies at Nos. 12 and 13 before parring in for a 139 total.

After knocking a pitch shot inches from the hole on 13 for a birdie 4, Norman got a standing ovation from the gallery in the bleachers surrounding the



under heading to the back nine, while Nick Price took bogey on the par-5 15th All eyes skyward, Greg Norman and the gallery following the ball after his chip shot on the second hole Friday.

toward the tee on 14.
Earlier, Price tapped in for par to complete his first round in a tie with Love, McCarron and a Masters newcomer, Brandel Chamblee.

Duval also completed his first round with a par to finish with a 71. He and Price then headed toward the clubhouse, their second-round tee time a little more than an hour away.

began play again.

Duval had preached the virtue of patience all week, to whoever would listen. Then he promptly ignored his own advice, joining a host of impatient golfers in a jittery opening day.

green after he tapped in and walked the dangers of Augusta National's hard, in for his triple bogey.

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fast greens and tricky pin placements, all they needed to do was look at the world's hottest golfer losing his share of the lead Thursday with back-to-back-toback bogeys on the back nine.

As his game came apart — although ever so briefly — the wraparound shades that are Duval's trademark came off his head as menacing clouds rolled in to force a storm delay.

By the time Duval walked off the 17th

Conditions that have changed almost hourly since the 63d Masters began Thursday were markedly different Friday, with brisk winds blowing down the 18th fairway as Price, Duval and 10 others who failed to finish a day earlier capable of still holding its own.

"On a course like this you run into some bad stuff," Duval said Friday. On Thursday, Woods had to show plenty of patience himself after pulling a tee shot into the woods on the par-5 olfers in a jittery opening day. eighth, then taking a penalty stroke out If anyone needed to be reminded of of an azalea bush before finally tapping

U.S. MASTERS THURSDAY AND FRIDAY BE AUGUSTA, QA. (U.S. unless stated) Lee Janzen Bernhord Langer, Ger. Phil Mickelson Brian Wetts Stave Stricker G-Tom McKnight G-T. Immelman. S d-T. Immelmon, S. Vijoy Singh, Fiji Payne Stewort Fred Funk Fuzzy Zoeller Junto Clark, Fiji Immer Chambell, Fiji Loren Roberts Ben Crenshow Billy Mayfair Darren Clarke, Brit. Hal Sutton Nick Faido, Brit. Jeff Maggert Seve Ballesteros, S Gary Player, S. Air Amold Palmer

Wales Wants To Spoil It For England

Compiled by Our Staff From Disposeine LONDON - England needs to beat Wales on Sunday at Wembley to clinch the Five Nations Grand Slam, but France could be its unwilling accomplice, helping the English players secure the championship before they take the field.
France, Grand Slam winner in
1997 and '98, has slumped out of contention for a third successive

FIVE NATIONS RUGBY

championship with losses to Wales and England in its last two games. The team could salvage some pride with a victory over Scotland in Paris on Saturday, but that also would mean its biggest rival, England, would take the championship honors even before kickoff Sunday.

"We must get out of this spiral of defeats," said the French manager, Jo Maso. "Victory in this game is not just important — it is imperative."

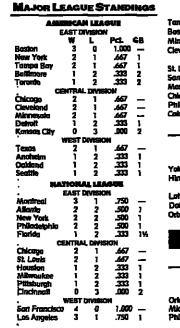
But if Scotland wins Saturday and England loses Sunday, they will

share the title. Wales goes into its match against England on a high after a 34-33 victory over France in Paris and a 60-21 trouncing of Italy in Treviso. The Welsh would love to spoil England's Grand Slam aspirations.

All of England's points against France came from the boot of Jonny Wilkinson, who equaled England's Five Nations record of seven penalties set by his Newcastle mentor, Rob Andrew. But Wilkinson could meet his match in Neil Jenkins.

Jenkins moved to second on the all-time international scorers list with his Welsh record of 30 points against Italy, taking his tally to 704. In Dublin on Saturday, Ireland will face Italy in a warm-up for next year's Six Nations tournament. Ireland's Five Nations campaign is over, with a 29-23 decision over Wales its only victory. (AP, AFP)

SCOREBOARD



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PACIFIC LEAGUE

NBA STANDINGS

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P: Wollace 6-12 2-2 1-4 Grant 2-7 8-10 12, Jockson 4-8 4-4 12: Seattle: Poyton 8-16 2-4 20, Schrempf 8-16 0-0 17. Rebounds: Portland 52 (Grant 14), Seattle 52 (Polynice 12). Assists: Portland 15 (Stoudamire 5), Seattle 22 (Schrempf 7). Micaesotu LA. Clippers 19 22 26 21—99 M: Gament 7-25 1-3 15. Sectly 7-14 0-0 14: M: Garnett 7-25 1-3 1-3 sector 2-102-Clippers: Dougles 7-11 2-4 1-6. Murray 5-102-2 1-4. Rebounds: Minnesofts 50 (Garrett 10), Clippers 51 (Wright 13). Assists: Minnesofts Clippers 51 (Wright 13). Assists: Military (Gornell, Rebisson)

ICEHOCKEY

ANTIC DIVISION

W L T PIS GF
43 23 11 97 231
35 25 18 88 222
36 28 14 86 233 Nick Price, Zimbal Brandel Chamb Davis Love III W L T PIs GF GA 44 22 12 100 235 173 43 29 7 93 254 225 36 29 13 85 204 173 35 26 15 85 196 167 31 37 10 72 175 196 Andrew Magee
Mark O'Meaza
Bob Estes
Steve Pate
Sandy Lyle, Brit.
Emile Eis, South Africa
lan Woosnem, Brit.
Jumbo O'zakt. Leona THEAST DIVISION

W L T PIS GF GA
32 30 16 80 198 198
27 32 18 72 197 212
31 41 6 68 197 206
19 51 7 45 170 277 David Duvel
John Daly
Cruig Studier
Bill Glasson
Stare Elitington, Aus.
a-Sergia Garcia, Sp.
Tiger Woods
Cuttos Franco, Pur.
Allianel Limenar, Sp. CENTRAL DIVERON
W L T Pts GF GA
42 30 6 90 238 193
34 31 12 80 222 197 27 43 7 61 178 242

TRIVEST DIVISION
W 1. T Pts GF GA
42 26 10 94 231 217
29 37 11 69 212 217
28 37 12 68 198 220
22 46 11 55 185 252

First Period: C-Zhomnov 18 (Daze, Dumont) (pp). 2. C-Loron: 3 (Mironov, McAmmond) 3. C-Dumont 6 (Eriksson, kronow) 4. C-Dumont 7 (Brown, Daze) 5, New York, MocLeon 27 (Graves, Schneider) New York, McCLeon I/ (Groves, Schneider), pp.). Second Period: New York, Lacrobx 2 (Popovic, Ndur) Third Period: C-Monson 6 (Probert, McAmmond) 8, C-Dument 8 (Eriksson) Shots on good: New York 10-10-

1-24, C- 14-9-11-34, Godles: New York, Son Jose Los Angeles 2 1 6—3
First Period: L.A.-Tsypiokov 9 (Ferroro. First Period: L.A.-Tsyplokov 9 (Ferroro, O'Dornett) 2. L.A.-Audetha 18 (Ferroro, Babych) Second Period: L.A.-Tsyplokov 10 (Bioka) Third Period: S.J.-Murphy 23 (Houlder, Domphousse) (pp). 5, 5.J.-Norton 4 (Notion, Morteon) Shork on good: S.J. 9-12. 13—34. L.A. 10-10-S—25. Godles: S.J.-Varroro, 1 A.-Chart.

GOLF U.S. MASTERS

FIRST ROCKS

COPA LIBERTADOR Velez Sorsfield, Arg. 3, Deportive Coli, Col. 0 Standings: X-Velez Sorsfield 9 points; X-Coli 9; x-River Plate, Arg. 8; Coldon, Col. 7 GROUP FOUR Universided C., Chi., 3, Universitorio, Peru, 1

CUP WINNERS' CUP SEMPONAL, FIRST LEG Smally Mascow 1, Lazio 1 sea 1, Real Mallorca 1

Return Leg on April 22. CRICKET

STALLAR CUT HIDIA VS. ERGCLANG FREDAY IN SHARJAH, UNITED EMPATES India: 222-5 in 50 gyers.

ind: 202 in 47.5 overs.

TRANSITIONS

John von Linkini (q), reenz., oen. mikou lästrom, Swe., 4-6-6-3, 6-2: Peter Wessels. with, def. Vinconze Soutopades, it. 6-2, 6-4. Parisce with folice FRIDAY IN AMELIA HILAND, PLORIDA

QUARTERFINALS rendro Drogomic, Rom. def. Fabiola Zukastansia Errogonine Raine der Patitota Lu-luago, Col. 6-3, 6-1. Anna Kaumikova (9), Rus. def. Patity Schwyder (6), Switz. 6-0, 6-2.

THE WEEK AHEAD

SATURDAY, APRIL 10

BADMENTON, Tokyo — Japan Open Grand Prix to April 11, GURLING, St. John, New Brosswick — World Championships, to April 11, Yord Championships, to ADM 11.

CYCLAND, Sydney, Australia — C
Country World Championship.

EQUIPMENTALAN, Dorlmand, German
dressage, World Clup final, 10 April 11.

Cannola, 11 s. COLF, Augusto, Georgie, U.S. — men. U.S. Mostars, in April 11.

PROPERTY RACENCE, Liverpool, English Grand National.

ROSE HOCKETY. Openhages, Od
Denmark — Pool & World Champion
Sermany, Karakstein

fand. Test. ireland vs. Haly. ER, Lagas, Nigeria — nship, to April 24. TEXMEN, Esterii, Portugal — women, men. Esterii Open, ta April 17. Hoog Kong — men, Solem Open, to April 17. Chennal, India — men, Gold Flake Open, to April 17. Amelij

SOCCER, Africas Cup of Nations, qualifying: Mazambique vs. Comercon; Marocci vs. Toga: Mail vs. Namibla; Ivory Coast vs. Republic of Canga; Gabon vs. Sorth Africa, uritius vs. Angola; Bukina Fasa vs. Bu nindi; Zambia vs. Kenya; Cango vs. Mod-agascar, Uganda vs. Tanisia. SUNDAY, APRIL 11

CRICKET, Amas Vale, St. Vincent — West Indies vs. Australia, 1st one-day Internation-al. Sharjah, United Arab Emirates — Sharjah, Cop: India vs. England. CYCLENG, Paris-Roubab.

MOTOR RACING, See Paulo, Brazil Formula One, Brazillan Grand Prix. RUGBY UMON, Five Netjens: Water vs. TRIATHLOW. Ishigaki, Japan — Work

WEIGHTLEFTING, La Coruna, Spain European Championships, to April 18. MONDAY, APRIL 12

CRICKET, Shorjah, United Arab Emirates
— Sharfoth, Cup: Pakiston vs. England.
TENNESS, Barcelona, Spain — men, Open
Seaf Goda, to April 18. Tokyo — men, women, ipan Open, to April 18.
WEIGHTLEFTING, La Cerena Spain

TUESDAY, APRIL 13 CRICKET, Sharjoh, United Arab Emirates

WEDNESDAY, APRIL 14 CRECKET, Queens Park, Grenoda — 2d 1y international, West Indies vs. Australia. OYGLING, La Fleche Wallarme. CER, Cope Liberladores, 2d round. 1st leg. Italian Cop. final, 1st leg. Parma vs.

ean Championships, to April 17. THURSDAY, APRIL 15 GOLF. Estorii, Portugal — men, Estorii Open, to April 18. Hilton Head Island, South Carolina — men. U.S. The MCI Classic, to April 18. Polm Beach Gardens, Florida, — seniors, PGA Sealors Championship, to April 18. Kowanishi, Japan — men, Tsuraya Open, to April 18.

SARLING, Hyeres, France — Olympique Francoise, to April 23. FRIDAY, APRIL 16 CRICKET, Shorjah, United Arab Emirates

Shorjah, Cop final.

SATURDAY, APRIL 17 AMERICAN FOOTBALL, NFL Droft, to April 18. NFL Europe sesson opens. CRICKET, Port-of-Spoin, Trindad — 3d 1-day international. West indies vs. Aus-

HORSE RACENCE, Ayr. Scrillond — Scotfish Grand National of World,

of World.
TERRERS, Fed Cop. World Group I: HolyvySpain. Croatie vs. United States, Russia vs.
France, Switzerland vs. Slovekia. World
Group 2. Neiberlands vs. Belgium, Belgrits.

SUNDAY, APRIL 18 GYGLERG, Liege-Bostogne-Liege class ATHLETICS, Ro

World Cup. CRICKET, Part-of-Spoin Trinided and sh Rolly, to April 21. ICE HOOKEY, NHI regular season

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SOCCER

YOUTH WORLD CUP

STANDENGS: X-McE 6 point McE 3: Urugsay 3: South Kores

Miguel Jimenez, Sp. o-T. Immelmon, S. Afr. Vijoy Singh, Fiji Fazzy Zoeller Frank Lickitter Brandt Jobe 8-37-72 8-34-72 34-38-72 37-36-73 37-36-73 37-36-73 on 5), Clippers)5 W L T Pts GF GA 48 17 12 108 222 159 38 27 12 88 194 180 34 31 12 80 294 192 30 31 17 77 185 180 29 43 5 63 175 207 28 18 18 180 MARKETTALL NATIONAL BASKETBALL ASSOCIATIO EUSTON—Activated G Matt Mai Stuart Appleby, A a-Tom McKnight SPRING DREAM By Matt Gaffney NATIONAL POOTBALL LEAGUE MIAMI—Signed TE Hunter Goodwin to of-fer sheet. Re-signed LB Anthony Horris to 2-86 Under the — (nautical term) ACROSS yter contract. 1 Confirmation. 7 "---- shocked as KIL HOCKLY NATIONAL HOCKEY LEAGUE Suspended Toronto F Mike John for one 83 You've got for two games for elbowing Ottowa D James Others

First Period: O-Prospol 10 (Arvedson)
Second Period: T-Berezin 25, (sh). Third
Period: O-Alfredson 11 (Hosso, Prospol)
(pp). 4 O-Soio 7 (Bonit, Krovchuk) Shets en
gest: T- 10-7-14—31. O- 12-10-14—36.
Godfiest: T-Joseph. O-Tugnutt.

8 6 0—0 9 Big payoff bet 12 Old verb ending Loukkanen in April 7 game. OLYMPica 15 Donald, to Huey, 10 Prefix with 84 Peace Nobelis Dewey or Loui SALT LAKE ORGANIZING COMMITTEE 11 70's leader witi a palindromic Dutch Cup Final 85 ---- so weiter nounced that management cor ratified selection of Fraser Bullock as ex-ecutive VP and chief operating officer. (et cetera): Gei feature Jesper Parnevik, Swe. u-Hank Kuehne --- Island, Fla. 87 Lack of 12 Stories-within-21 Olive cousin 23 Russian technologica stories 89 Kal --- pet products TENNIS 13 Coffee break Pirst Period: None. Second Period: N.J. Rolston 20 (Scorrey, Andreychak) Third Period: None. Stats on goal: W- 6-6-3-15. N.J. 13-7-5-25. Godles: W-Katzig. N.J. Craig Parry, Aus. Carey Pavin Tim Herron Steve Stricker achievement 90 Drew on HONG KONG FRIDAY IN HONG KONG 25 Locked away 91 Winner's signs 15 Altdorf's canto 26 They re often 93 Chipper 94 Brand at the NTSCHTLING, Minsk, Belows — freesly, kept on ice ocher, Ger., def. Jones Blork-16 Cardinal point? mon (7), Sire. 6-4, 6-4; Andre Agonsi (2), U.S., def. Nicoles Klefer (5), Ger., 6-2, 6-2. Hendrik Oreekmen, Ger., def. Richard Kroji-cek (1), Neft., 6-3, 3-6, 6-3; B. Becker, Ger., def. 37-38-32-37-17 Head honchos 28 Change-making 95 it's often 18 One of the Windsors N.Y. Istanders 9 3 0—3
Flost Pariads: None. Secand Periads New
York: Contawasid 16 (Linden, Chord) 2, New
York: Polifty 19, 3, New York: Lindgren 7
(Contawasid, Polifty) 4, M-Savage 13
(Ruchasia, Quintal) (pp), Third Pariads
None. Shots on goal: M-6-6-9—21. New York
10-145—29. Goalies: M-Theodore. New
York: Chahada 97 Light rock songs 22 31 1984 Uris nove 99 Abbr. in many 24 Atlantic City ESTORIL OPEN company names 102 inspired kind of thinking FREDAY & OFFICES, PORTUGAL MOVED GUARTERS PLALE

Movedo Ries (3), Chl. def. Gustovo Kuerten (5), Br. 6-4 6-3: Albert Costo (4), Spain, 36 Back-stabber 29 "Step ----!" 37 Spiny-rayed aquarium fish 104 Parent's demand York, Flaherty. John Cook def. Felix Moutilite (6), Spain, 6-2, 6-4.
Jerome Goimard, Fr., def. Korim Alami,
Mor., 6-4, 7-6 (7-1): Todd Martin (2), U.S., def. 32 Battling 107 Vanille ---Pitisburgh Philadelphia 34 Diet setbacks 39 Gang members 110 W.W. II camp Mark Bro Pernando Meligeni, Brazil. Meliger fleed white leading the first set 5-4 First Period: P-BrindAmour 23 (Burt. McCorthy) 2 P-Brown 13 (Stroka) (pp), 2 P-LeCloft 40 (BrindAmour, Desjardins) (pp). Marik Brocks
Steve Jones
o-Matt Kucher
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Charles Coody
Scott Verplank
Trevor Dodds, Nomi
S. Marryana, Jop.
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Jeff Maggert
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Glen Dav 35 Hawaii draw "--- Union Woman" (old wrapper, mayb 37 Artistes wear WORKIN'S QUARTERPRIALS
Rife Kull Kis, Hungary, def. Anda Borna,
Germany, 6-3, 6-4; Markana Diaz Office, Any.
def. Anne Kremer (3), Lio., 5-7, 6-2, 6-2,
Kalashna Srebothuk, Shremka, def. C. Tor-46 Start to like LECURY 40 (printramour, prespirancy (pp). Second Period: P-Recchi 16 (Duchesne) Third Period: None. Shots no goot: P. 8-5-4—17. P-8-14-11—33. Godies: P-Stedra. Plabor song) 38 California's 48 It may be 114 Actress Gray Valley 50 in order 40 Be treated 116 Site of an and Katorina Srebotnik, Stavenia, def. C. Tor-rans-Valera, Sp., 6-3 6-3; Lubotnira Bacheva. Bulg., def. Silvija Tataja (5), Cra., 6-2 3-6 6-4. 51 Big belly 52 Crab or turtle August 9th 41 Trouble United Period: T-Lectrolier 13 (Richer)

New York Times/Edited by Will Short:
Second Period: T-Forbus 12 (Tuckst, Richer)
Third Period: T-Godfon 7, (en.). Shots on IMPIAN OPEN FRIDAY IN MADRAS 118 Classic BBC 42 Criteria: Abbr 43 Oral poetry Byron Block (a), Zim., def, Richard Fromberg, Aus., 4-4, 6-4; Reiner Schuffler (7), Gec., def, 1-Canses Meye (1), Sp., 6-1, 3-0, retired. John Van Lahum (8), Neitz, def, Makasi 55 Virile type 121 Orchestra 44 Use a 9-iron, say 56 Slightly gamy 57 Propelled pout: B- 7-11-9-27. T- 5-9-7-21. Goodless: B-45 The Clintons. 122 Running 77 Carpus 101 Hole fixer the Bushes, etc. Goy Brewer Jr. Nick Foldo, Brit. g-John Miller Amond Polimer 58 Come-Solution to Puzzle of April 3-4 193 Magic, at one time competitions connector 47 Drop like----

SPORTS

Hank Aaron Ponders 'the Might Have Beens'

TEW YORK — The dual pursuit good feeling among the fans and the hitters chasing it that Henry Aaron of Roger Maris's home run record last year created so much have control over." watched with envy.
"I just wish for a moment that I

could've enjoyed it as much as Sammy year," Aaron said or ms own year," Aaron said or ms own pursuit of a home run record.

Twenty-five years ago to the said of the pursuit of a home run record. Sosa and Mark McGwire enjoyed it last year," Aaron said of his own earlier

Twenty-five years ago this week, Aaron hit his 715th home run, eclipsing Babe Ruth's career record. Major League Baseball and the Atlanta Braves celebrated the anniversary Thursday night before the Braves' game with the Philadelphia Phillies, honoring Aaron in a way that many fans and Bowie Kulm, the commissioner a quarter of a century ago, did not.

Among other things, baseball un-veiled the Hank Aaron Award, to be given annually to the player deemed to be the best hitter in each league. It is an award Aaron could have won many times in a remarkable 23-year major league career in which he never hit more than 47 home runs in a season but amassed a record 755.

"Before I got close, it was an important record," Aaron recalled in a conference call. "The closer I got to it people started to play it down

I'm enjoying it very much so now. Twenty-five years ago I was a very bitter advice: Don't worry about things I don't would have been Mickey Mantle first,"

Vantage Point/ MURRAY CHASS

Twenty-five years ago, even Aaron's mother could not offer the kind of advice that would have soothed him. Even she could not overcome the racist hate mail that jarred the 40-year-old Aaron to the depth of his soul. Facing National League pitchers was easy compared to facing his mailbox every day.

Aaron was asked if he has rid himself of the unwanted mail. "The hate mail won't be thrown away yet," he said.
"We still have hatred in this country and we need to be reminded."

Bud Selig remembers. Now the com-missioner, Selig was a longtime friend of Aaron's who saw first-hand what the slugger was battling.

I've seen hate mail in a lot of situations," Selig said this week. "I have never seen anything like that, never. It was so tragically unfair and just plain wrong. It's a tribute to Henry Aaron that he's been able to survive that and be the person he is today.

In the early 1970s, America was obviously not ready to have a black man supplant the charismatic white man who was the country's most legendary figure of the first half a century. If the career home run record had to be broken, let it be Mickey Mantle, a white man, who

would do it, the reasoning ran. "If they had a choice of who they person. I've aged and taken my mother's wanted to break Babe Ruth's record, it

Aaron said. "Mickey was like Marilyn Monroe. He didn't have to be the greatest ball player. He had that charisma. The Yankees had won all those

Al Downing was a rookie pitcher with the New York Yankees during the sea-son in which Mantle and Maris chased Ruth's season record of 60 home runs. Maris broke it. Maris, Downing recalled, "got a lot of hate mail"

His was not racist, though. The racial hatred, the ugly epithets, the death threats made Aaron's mail even worse. The crude, vile letters jolted Aaron and reduced nim to tears.

OWNING WAS pitching for the Los Angeles Dodgers in 1974 and started against the Braves in the fourth game of the season. In the Braves' first game, in Cincinnati, Aaron hit No. 714. Facing the left-handed Downing in the Braves' home opener, Aaron drove No. 715 over the leftcenterfield fence.

Was he plagued in any way by being the pitcher who gave up the recordbreaking home run?

"No, it never bothered me that I threw the pitch," Downing said by phone from Los Angeles. "What bothered me was the public insinuation afterward that I grooved the pitch. Or that I was less than a major league pitcher because he hit the

Kuhn, the commissioner in 1974, did not see Downing throw that fastball right down the middle. He did not see Aaron hit No. 715. He had seen him tie Ruth's record in Cincinnati and decided that

In his book, published 13 years later, Kuhn continued to defend his decision not to be in Atlanta for the historic home

He explained that he chose instead to keep "a longstanding speaking engage-ment" in Cleveland before the Wahoo

Club and wrote that if he had to do it over, he would still choose Cleveland. No one ever accused Kuhn of racism but in snubbing Aaron, he acted as insultingly as some of the letter writers.

Asked now about Kuhn's absence, Aaron said: "I haven't thought about that one. I don't think about that. The commissioner doesn't come up in my train of thought now.

But an associate of Aaron's offered a different view. "Hank is hurt to this day," the associate said, "It hurt him very deeply. He talks about it to this

Aaron prefers to talk publicly about other people and other events. His gala 65th birthday party in Atlanta two

months ago, for example.

"The president of the United States was at my birthday party," Aaron said, still awed by the thought. "At my birthday party. He came to my birthday party. I went to the White House and stayed in the Queen's room. This has truly been a



Hank Aaron, the home run king, displaying the new award bearing his name that will be given annually to the best hitter in each major league.

Now That the Games Count, The Royals Don't Look Good

So much for spring training records. With Jose Offerman again leading the way against his former team, the Boston Red Sox beat the host Kansas City Royals, 4-1, Thursday night for a three-game

The low-budget Royals were a spring surprise, going 22-9 for the best ex-

AL ROUNDUP

dibition mark in the majors. But now that the games count, all the fun that they had in Florida has subsided. They're 0-3 for the fifth time since 1992.

But Offerman is enjoying every thinute. After hitting 315 for the Royals last year, he signed a \$26 million contract as a free agent with the Red Sox. In Kausas City, he got off to an 8-for-15 start hat included four doubles and a triple.

In fact, through three games, he's cored five runs, one more than the Royde have scored so far as a team. man, who has had some ahasp words for

Kansas City manager Tony Muser. "I have nothing against them. I got a lot of respect for them. I have a lot of friends there. It's just me doing my job."

indiana 9, Angels 1 Roberto and Sandy Alomar each drove in two runs, the first time the brothers have shared the RBI column as teammates in the same game since playing for San Diego in 1989.

Roberto hit a two-run homer in the first inning in Anaheim. Sandy had a sacrifice fly in the second and later donbled home a run for Cleveland.

Devil Rays 6, Orioles 3 Cal Ripken missed his second straight game because of a stiff back as Tampa Bay beat Baltimore. Ripken had not sat out two in a row since late 1981, soon after making his major league debut. The third bas man is hoping to avoid his first trip to the

Dave Martinez went 3-for-4 and drove in three runs. The Devil Rays, who won five of six in Baltimore last year,

Turkes 11, Bine Jays 9 Corey Koskie nine hits in 21-3 innings.



The Orioles' Cal Ripken in an unusual position: sitting out injured.

drove in five runs to beat Toronto at the Metrodome. Koskie, one of Minnesota's 10 rookies, had three hits.

Marty Cordova went 4-for-4 with a walk and drove in two runs as the Twins RBIs this week. took two of three at Camtien Taitis to rained Joey Hamilton's league debut.

A Card Hits 3d Homer (Not McGwire)

Maybe it's time to start the Fernando

Tatis watch. The St. Louis Cardinals' other comer infielder homered for the third straight game, hitting a three-run drive off Jim Abbott, as the Cardinals beat the Milwankee Brewers, 9-4, Thursday in St.

Tatis has a two-homer lead on Mark McGwire, and he's closing in on one of McGwire's records. If Tatis homers Friday night against the Cincinnati Reds, he'll join McGwire (last season) and Willie Mays (1971) as the only players to homer in each of the first four games in a season.

"I'm surprised, too," Tatis said. "I don't consider myself a power hitter. I just hit the ball good."

Tatis hit 11 homers in 532 at-bats last season, eight after the Cardinals acquired him from Texas on July 31.

He hit a solo homer in the season opener and a two-run shot in a 4-1 victory Wednesday night, giving him six

His performance has almost made terthought in the Cardinals' clubhouse. Rolen and Rico Brogna hit solo homers, their first loss.

Asked about McGwire's contribution and Paul Byrd (1-0) shut down his Thursday, the manager Tony La Russa jokingly responded: "What'd he do?" McGwire, who homered in the open-

er, was 0-for-3 with an intentional walk. and he scored on Tatis's home run. Cubs 2, Astros 1 The Chicago Cubs are also finding power sources other than

their main slugger. Sammy Sosa, McGwire's co-star in the great home race last summer, remain-

NL ROUNDUP

ed homerless and 1-for-10 for the season, but in Houston, Henry Rodriguez and Jose Hernandez hit solo shots off Jose Lima (0-1) to beat the Astros, 2-1.

Giants 12, Padres 4 Barry Bonds hit a two-run homer, and Marvin Benard had a three-run shot as San Francisco celebrated the final home opener at its windswept ballpark at Candlestick

Shawn Estes (1-0), who walked seven batters in five innings, added a three-run double as the Giants scored seven in the

MHAT'S THE POINT OF A PROPELLER BEANNE IF YOU

ONT EVEN PLY

MENS IT ?

former team on two hits in 71/1 innings. The former Atlanta closer Mark Wohlers again struggled in his second appearance of the season. He faced three batters, walking two and throwing a sacrifice bunt over the head of the first baseman, Ryan Klesko. Kevin Millwood (0-1) took the loss.

Expos 5, Mets 1 Vladimir Guerrero and Shane Andrews each drove in two runs as Montreal spoiled Orel Hershiser's debut with the New York Mets.

A near-sellout crowd of 43.918 at Olympic Stadium in Montreal saw Miguel Batista (1-0) win the Expos' home opener. Ugueth Urbina got his first

Hershiser, signed by New York as a free agent on March 25, allowed five runs — four earned — in four innings. Rockies 4, Dodgers 2 At Los Angeles,

Todd Helton's two-out, three-run homer capped a four-run rally in the seventh to

The former Dodger Brian Bohanon. (1-0) allowed three hits and one unrun to hand his

DENNIS THE MENACE



DILCUI

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PEANUTS

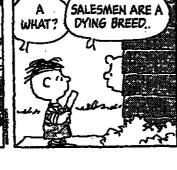


I'M OFF TO CONQUER THE WORLD!

BEETLE BAILEY

SARGE IS













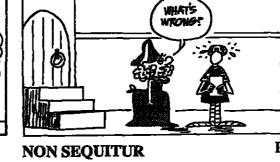






CALVIN AND HOBBES

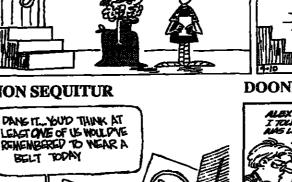
I'M NOT FLYING!





WHAT A RIP-OFF! I ATE ALL THAT CEREAL, WAITED

MEHS AND WEEKS TO GET THE BEANIE, ASSEMBLED IT MYSELF, AND THE DUMB THING DOESN'T EVEN FLY!













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DAVE BARRY

Beach Distractions

MIAMI — Vacation season is approaching, so today I want to issue a Travel Warning to help you avoid a menace that could completely ruin your vacation: bosoms. This menace was brought to my attention by a recent letter to my newspaper, The Miami Herald, written by the Reverend

Keith A. Marvel of Wilmington, Delaware. He states: "Three friends and I recently visited Miami to get in a little Florida sunshine and some golf. Our four-day stay was a bit of a shock.

"First we thought maybe we landed in another country when we walked to a beach - marked for our hotel's guests only -- only to find topless women sunbathers. As Christian men, we are taught to flee this type of thing, which is hard in Miami since it seemed that this type of immorality was nearly everywhere.

"Then, the clincher came at 7 P.M. Saturday night when we went to get dinner and came back to find our car, which was booted by a company.

After describing his group's unsuccessful efforts to protest the \$25 parking fine, he states: "I hope that the city of Miami Beach would do something about this ordinance and topless

He is correct:

There are topless

sunbathing. If not, maybe you should warn tourists before they spend their hard-earned money on a trip to Miami." - First, by way of sincere apology, let me state, on behalf

women sunbathers of all citizens of Miami and in Miami. Miami Beach, who have unanimously elected me to speak

for them, that the letters in "Keith A. Marvel" can be rearranged to spell "Hark! Evil Meat!"

Let me also state that the reverend is correct: There are topless women sunbathers in Miami, although I think it's a smetch to say they're "nearly everywhere." I've lived in Miami for 13 years, and if it were infested with topless women, I definitely would have noticed. Also it would be mentioned on the TV news. ANNOUNCER: What's our forecast, Bob?

WEATHER PERSON: Bill, I look for warmer temperatures and continued naked bosoms all over the place, so the public should remain indoors with duct tape over its eyes. It's not as bad as that. But we do get our topless sunbathers.

Most of them are tourists from Europe. Europeans openly smoke cigarettes; they think nothing of toplessness. You cannot turn around in Europe without seeing a marble statue of a topless ancient Greek or Roman goddess the size of a Budweiser Clydesdale, expressing the ancient artistic concept: "I cannot find a marble brassiere in my size."

So European women often sunbathe topless. European men are also quite exposed. Apparently there was some mix-up over in Europe, whereby all the eye patches were mislabeled as men's bathing suits, the result being that men at the beach often have nothing covering their Euros but a piece of fabric the size of a Cheez-It. Meanwhile, Europeans who injure their eyes are stumbling around with swimming trunks over their heads. On my fact-finding trips to Miami-area beaches, I've noticed

Europeans openly smoke cigarettes; they think nothing of toplessness.

that the Europeans don't seem to notice that they're almost naked. But the Americans definitely do. The American women are cool about it; they have developed the ability to look at things, such as a man's Euro region, via a Stealth Glance technique, so that you

never actually catch them doing it. (They use a similar technique for scratching.) When an American man, on the other hand, catches sight of a bosom, his head snaps toward it, his eyeballs lock onto it like missile radar and a loud alarm goes off in his brain. As long as the man is within range of the bosom (12 miles) his head will remain pointed toward it and he will be unable to think about anything else; this is the primary cause of

freighters running aground.

The point is that if a man, for example the Reverend Marvel, is on the same beach as a bosom, he is physiologically incapable of simply ignoring it. He has to look! And then of course he has to flee. This is why I am issuing the following warning to travelers: IF YOU COME TO THE MIAMI AREA, AND YOU GO TO THE BEACH, THERE IS A CHANCE YOU WILL SEE TOPLESS SUNBATHERS. The Orlando tourist bureau has also asked me to warn you that they have a bosom problem there, but the Miami bureau claims that most of the Orlando ones are artificial.

Let me conclude by thanking the Reverend Marvel for o this danger. As a token of preciation, we will have the people who booted his car executed without trial. And we will make every effort to rid our community of decadent, hedonistic and degenerate activities. We'll start with golf.

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Larry McMurtry Crawls Back From the Edge

By David Streitfeld . Vashington Post Service

A RCHER CITY, Texas — In the early 190s, soon after Larry McMurtry's novel "Lonesome Dove" became a massive television hit, a number of con artists began impersonating the Pulitzer-winning author.

There was the fellow who tried to pick up women in Tucson gas stations by offering to cast them in the saga's sequel. There was the Houstonian who was so persuasive that his fiancée worked at McDonald's to support him while he supposedly wrote his next book.

These fakers would have been annoying to McMurtry under the best of circumstances, but they sprang up at a moment when he felt like an impostor himself. His crisis was triggered by a quadruple-bypass heart op-eration. Extremely successful in medical terms, it served to loose McMurtry from his emotional moorings

For all his adult life, he had been a voracious reader and a renowned book dealer. but he now felt only indifference when he picked up a book or magazine. He stopped writing, ceased traveling, found it impossible to engage intellectually for more than a minute. Even the newspaper was beyond him. Mostly he sat on his friend. Diana Ossana's couch in Tucson and stared at the mountains. It was a hellish time, and the impostors made it worse. If it was so easy for others to be him, why was it impossible for the man himself?

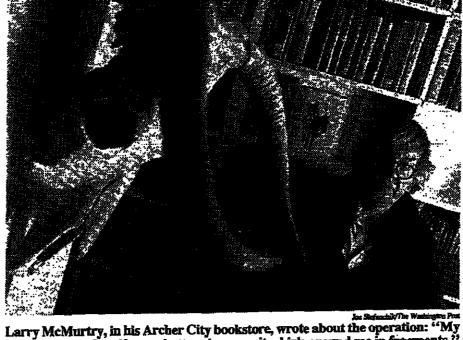
Ossana coaxed him back to writing by serving as his collaborator on two novels. A good therapist and the passage of time also helped put the writer on the road to recovery. But progress was halting. "I have felt largely posthumous since the operation," McMurtry wrote in an unpublished essay in 1995. four years after the surgery. "My old psyche, or old self, was shattered — now it whirls around me in fragments.

His fiction is still well regarded. His new cellent reviews for its portrait of a mental collapse that slightly resembles the author's. But being a mere storyteller isn't enough anymore to sustain fame in this supercharged

anymore to sustain fame in this supercharged

anymore to sustain fame in this supercharged celebrity culture. The impostors have largely

There is only one McMurtry of any significance now. Well, almost one, "I think I've come back to 75 percent of my former self,"



old psyche, or old self, was shattered - now it whirls around me in fragments."

sense of missing something. It's like stepping into a hole. When it happens I feel vague, as if

I don't have myself for a while." If McMurtry was ever going to feel like McMurtry again, it would be here, in this lonesome town of 2,000 souls a couple of hours northwest of Fort Worth.

He spent a couple of years as a cowboy, but ever since he was in his mid-20s he has herded books instead, first at a store in Houston, then for many years at a store in Georgetown called Booked Up. Never on this scale, however: His goal is to stock his store here, also named Booked Up, with a halfmillion books, none of them junk. He's about novel, "Duane's Depressed," received ex- halfway there, which means that Archer City

It was an outlandish idea to try to put a big store here, but maybe a canny one. The urban secondhand bookstore is dying, a victim of high rents and redevelopment. In Archer City, half the town seems abandoned, so space is easy to come by: Booked Up now sprawis over four buildings. What's needed are cushe says in a casual tone, as if he had lost tomers. That's where McMurtry's reputation connection to the place, but for a long time nothing more important than his car keys. as a bookman and author comes into play. The "It's just an occasional, rather than a constant, first draws in other book dealers, who leave there in 1969 to pursue a relationship, you were on the pump."

with full carloads; the second has produced a good deal of press attention, which is bringing

tourists and western fans. The residents of Archer City have often had more complicated feelings about their most prominent citizen. The first time Mc-Murtry really made his mark as a novelist was in 1966, with his third novel, "The Last Picture Show." Set in a Texas town that is Archer City in all but name, the story depicts a community full of ignorance, casual cruelty and lust. The main preoccupation of the citizens is sex, sometimes with animals. To underline the point, the author wrote that the tribe with the citizens is sex, sometimes with animals. the tale was "lovingly" dedicated to his

McMurtry denies basing any of the charcters on local folk, but concedes that, after three novels set in and three movies shot in Archer City, "the town doesn't seem to me entirely sure what's fiction and what's fact

about its own past. It's all kind of confused and getting more confused." This is home now. He always visited Archer City over the years, keeping up his

promptly opened Booked Up in Georgetown, and raised as a single parent his son, lames, now a successful singer-songwriter. There was only one problem. "He hated Washington," says Marcia Carter, his old friend and partner in the Washington store. "He doesn't like the people, doesn't like the trees, doesn't like the closed-in feeling. He just doesn't transplant well."

Still, she says, "I never thought he'd return to Archer City. It's so small and limited. There was no reason to go back."

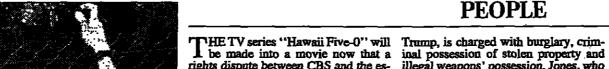
Texas's best writer calls himself a hack: It's among the contradictions of McMurtry. He spent most of his adult life living outside the state but became the writer most indelibly associated with it. He flamed other Texas writers for living in the mythic past instead of writing about the cities where most of the people lived, and then produced a novel about a cattle drive that became a huge best-seller and won the Pulitzer Prize. He has written 3,000 pages set in the 19th-century West, but would rather cruise the interstates than get on a horse. He grew up in a town without books, and now he has made sure it has more per capita than anywhere else in the country. The absence was so great, I never wanted to be without them ain," he says, adding with a toothy smile: It's unlikely I will."

He gets up very early in the morning, reads for a bit - he's now working his way through a large chunk of the critic and diarist Edmund Wilson — then writes briskly, with-out notes or anguish. Then he works in the store, maybe taking off in the afternoon if the gawkers are too thick. At night, particularly if there are visitors, he likes to drive out to a restaurant in one of the surrounding towns.

er-egg hunt, the quest for the pot of gold at the end of the rainbow, for the Grail. It has an appeal on the most childish level possible. Any day you might find a prize."

McMurtry died on that operating table in 1991, even if his body survived. That's as near as he can figure it. He was put on a heart-lung machine for a few hours and then, he says, "jump-started back into life."
"But the Faustian bargain has been made:

You're there, but not as yourself," he writes in that unpublished essay. "That self, that personality, lies back beyond the time when





HAIL TO THE BOSS — Bruce Springsteen greeting derwear. Chuck Jones, Maples's press Wynette's doctor and husband of neg-south of Auckland, and all staffers are fans in Barcelona, where he is opening a European tour. agent during the time she was romancing ligence in her death has "no basis in sworn to secrecy.

rights dispute between CBS and the estate of the show's creator has been resolved. The movie's producer, George Litto, and the widow of Leonard Freeman, the show's creator, prevailed in a his first trial. 21-month arbitration battle with the network over film rights to the story about the island adventures of no-nonsense cop Steve McGarrett. Litto said he had a script and a large line of credit. He plans to approach studios and stars about getting a big-budget project off the ground. He hopes to be on location in Hawaii as early as this fall. The series ran on CBS from 1968 to 1980.

fessed to having a fetish for her shoes, are back in court in New York after a judge ordered a retrial of his 1994 conviction for stealing her shoes and un-

illegal weapons' possession. Jones, who served a year of his 18-to-54-month sentence, won a retrial when a federal judge ruled he had been deprived of counsel in

A judge has tossed out a lawsuit claiming that Marcia Clark, the O.J. Simpson prosecutor, and two former detectives had no authority to publish crime-scene photos in their books about the murder case. The suit claimed that the photos were state property and should not have been used for personal nd her former publicist, who once con- fornia law that allows a private citizen to sue on behalf of the state.

fact," attorneys for the doctor said in Nashville, Tennessee. It was the first comment from the camp of Wallis Marsh since the \$50 million wrongful death lawsuit was filed this week by three of Wynette's daughters. The country star was found dead at home in April 1998 by her husband, George Richey, also named in the suit. Marsh signed the death certificate and listed the cause of death as a blood clot in the lungs. The three daughters have charged that Marsh didn't monitor Wynette's condition closely and overprescribed medication.

A secret start has been made in New profit. A Superior Court judge said the Zealand on the big-budget movie ver-plaintiff, Merritt Lori McKeon, had sion of J.R.R. Tolkien's "Lord of the sion of J.R.R. Tolkien's "Lord of the Maria Maples, the estranged wife of failed to show that she had legal standing the real-estate mogul Donald Trump, to sue. The suit was filed under a Caliported. The movie will be shot by the actors, including soldiers from the New Zealand Army. The company has refused to identify its stars. The shooting is lawsuit accusing Tammy taking place on a farm near Matamata,



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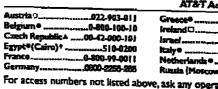
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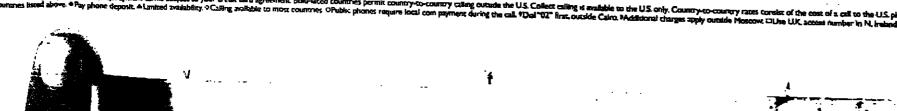


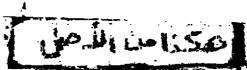






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